

FIXING THE FEDERAL APPROPRIATIONS PROCESS

by
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Abstract

The annual appropriations process in the United States is broken. In only four of the past 41 years have all appropriations bills been completed on time. In January 2019, the U.S. entered the longest government shutdown in history. The inconsistent delivery of federal monies causes several problems, most notably for the employees and contractors who work for the federal government, and the many institutions and people who receive benefits and/or services from the federal government. Continuing Resolutions and lapses in appropriation also negatively affect hiring and retention of employees, harm the U.S. economy, and create inefficiencies and management challenges in government agencies. This policy proposal examines the history of the current budgetary process and considers options to provide federal appropriations in a more regularized and timely manner, resulting in improved planning within government agencies, increased efficiency in the provision of government services, and fewer disruptions for federal agencies, employees, and contractors.

Key Words: Federal budget, federal appropriations, biennial budgeting, government shutdown, continuing resolutions.

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For Jack and Lorna – the best parents a boy could wish for.

Table of Contents

Section	Page
List of Charts	v.
I. Action-Forcing Event	1
II. Statement of the Problem	1
III. History/Background	11
IV. Policy Proposal	28
V. Policy Analysis	32
VI. Political Analysis	43
VII. Recommendation	53
Curriculum Vitae	57

List of Charts

Title		Page
Chart 1.	Percentage of Stand-alone appropriations Bills Enacted on or Before Oct. 1 of Each Fiscal Year.	2
Chart 2.	Frequency & Duration of Continuing Resolutions from 1998–2018.	18
Chart 3.	Average Annual Duration of CRs by Appropriations Subcommittee, FY1999-2009.	19

TO: Mick Mulvaney, Director, Office of Management & Budget

FROM: Stetson Sanders

DATE: May 3, 2019

SUBJECT: Fixing the Federal Appropriations Process

I. ACTION-FORCING EVENT

In January 2019, the U.S. government reached its longest shutdown in American history.¹ For the past 21 years, every single fiscal year required one or more Continuing Resolutions (CRs) to fund the federal operations on a temporary basis.²

II. STATEMENT OF THE PROBLEM

The annual appropriations process is broken. While fiscal years are supposed to start on October 1 of each year, in fact, CRs have been required to fund government operations in all but four of the past 41 fiscal years,³ making CRs and lapses in appropriations (government shutdowns) the norm, rather than the exception. Since 1977, there have been an average of 4.6 CRs per fiscal year.⁴

¹ Zaveri, Mihir; Gates, Guilbert, and Zraick, Karen. "The Government Shutdown Was the Longest Ever. Here's the History." January 25, 2019. *The New York Times*. Available at:

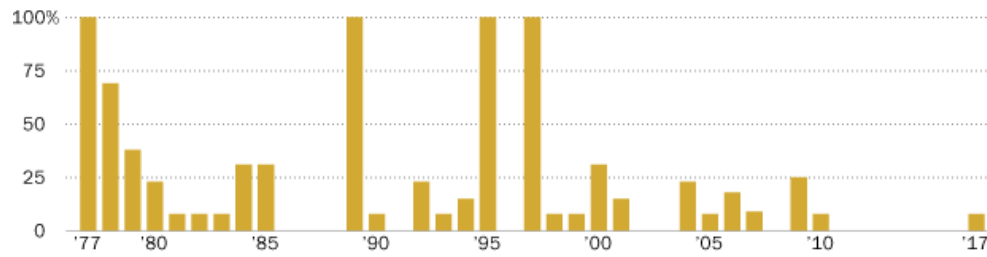
<https://www.nytimes.com/interactive/2019/01/09/us/politics/longest-government-shutdown.html>

² Desilver, Drew. "Congress has long struggled to pass spending bills on time." Pew Research Center. January 16, 2018. Available at: <http://www.pewresearch.org/fact-tank/2018/01/16/congress-has-long-struggled-to-pass-spending-bills-on-time/>

³ Heather Krause, Director of Strategic Issues, U.S. Government Accountability Office. Testimony Before the Senate Subcommittee on Federal Spending Oversight and Emergency Management, Committee on Homeland Security and Government Affairs. February 6, 2018. GAO-18-368T. Available at: <https://www.gao.gov/products/GAO-18-368T>.

⁴ Ibid.

Chart 1: Percentage of Stand-alone Appropriations Bills Enacted on or Before Oct. 1 of Each Fiscal Year.⁵



This uncertainty regarding the timing of appropriated funds, in addition to actual lapses, adversely impacts federal employees and contractors, government services and operations, recruitment and retention of staff, and the economy at large. The frequent uncertainty and delays also create inefficiencies and management challenges at federal agencies. While there are multiple ways to assess and calculate the impact of potential and actual lapses in appropriations, the following sections offer quantitative and qualitative examples based on past shutdowns and initial data from the FY19 shutdown. Taken together, the effects of inconsistent and partial appropriations are harming the economy, federal employees, and government services, and they are increasing inefficiencies in government operations. The FY2019 shutdown, according to Linda Blimes, “closed 25 percent of the government over a dispute that amounts to just .001 percent of the federal budget,” and did not achieve its stated aim.⁶

⁵ ©2017 Pew Research Center. Available at: <http://www.pewresearch.org/fact-tank/2018/01/16/congress-has-long-struggled-to-pass-spending-bills-on-time/>.

⁶ Blimes, Linda J. “To Avoid Government Shutdowns, Fix the Budget Process.” *The Boston Globe*. January 7, 2019. Available at: <https://www.bostonglobe.com/opinion/2019/01/07/avoid-government-shutdowns-fix-budget-process/jFkhPFfyzXmuZVhvon2BVL/story.html>.

Impact on Federal Employees and Contractors

The most obvious group affected by government shutdowns is federal employees and contractors for the federal government. Payroll costs for “work not performed” by furloughed federal employees was “the largest direct cost” of the FY2014 shutdown, which covered approximately 6.6 million employee work days.⁷

More personally, 57% of federal workers reported that the 2018-2019 shutdown negatively impacted their lives.⁸ Self-reports showed that nearly half (49%) of furloughed workers fell behind on their bills, more than a quarter (27%) missed a mortgage or rent payment, 13% fell behind on student loans, and 10% missed a tuition payment.⁹ More than a quarter (26%) of furloughed federal workers and contractors dipped into their retirement accounts to meet day-to-day requirements during the 2018-2019 shutdown, 42% took on new debt to meet their obligations, and 40% borrowed money from family or friends.¹⁰ During the 2018-2019 shutdown, nearly a quarter of workers (23%) needed to borrow money or pull from their savings, nearly one-fifth (19%) had to pull from retirement, and 17% said they would need to take out a loan.¹¹ Finally, more than 80% of federal workers who were surveyed after the 2018-2019 shutdown reported increased stress levels.¹²

⁷ Labonte, Marc. “The FY2014 Government Shutdown: Economic Effects.” Congressional Research Service Report R43292. Page 30. Available at: <https://fas.org/sgp/crs/misc/R43292.pdf>.

⁸ Smith, Ian. “Study Says Federal Employees Weren’t Prepared for the Shutdown. February 14, 2019. FedSmith.com. Available at: <https://www.fedsmith.com/2019/02/14/study-says-federal-employees-werent-prepared-shutdown/>

⁹ Prudential Insurance Company. “Financial Fragility: How the Shutdown Affected the Household Finances of Federal Workers.” February 12, 2019. Available at: http://news.prudential.com//content/1209/files/financialfragility_how_the_shutdown_affected_the_household_finances_of_federal_workers_prudential.pdf.

¹⁰ Ibid.

¹¹ Smith, Ian. “Study Says Federal Employees Weren’t Prepared for the Shutdown. February 14, 2019. FedSmith.com. Available at: <https://www.fedsmith.com/2019/02/14/study-says-federal-employees-werent-prepared-shutdown/>

¹² Prudential Insurance Company. “Financial Fragility: How the Shutdown Affected the Household Finances of Federal Workers.” February 12, 2019. Available at: http://news.prudential.com//content/1209/files/financialfragility_how_the_shutdown_affected_the_household_finances_of_federal_workers_prudential.pdf

In recognition of the significant hardship experienced by federal employees, Congresswoman Jennifer Wexton, (D-VA) with a large constituency of federal workers, introduced legislation that would “require the Federal financial regulators to issue guidance encouraging financial institutions to work with consumers and businesses affected by a Federal Government shutdown”¹³ as well as a bill to provide retroactive pay to public employees furloughed as a result of lapses in appropriations.¹⁴

Impact on Government Operations and Services

While it is difficult to fully capture the impact of shutdowns on government service provision, both program- and policy-related efforts, as well as mandatory spending programs, are affected. The Congressional Research Service categorized seven broad effects, including effects on health (e.g. clinical research, disease surveillance, etc.); on law enforcement and public safety (e.g. delays in processing alcohol, tobacco, and firearms applications; postponement of recruitment testing and hiring; delayed processing of child-support cases, etc.); on parks, monuments, and museums (e.g. closure of sites and related loss of revenue from nearly 10 million visitors, etc.); on visas and passports (e.g. unprocessed applications for U.S. passports for American citizens and visas for foreigners); on veterans’ services (e.g. curtailment of services); on federal contracts (e.g. delayed issuance of contracts for essential and non-essential work, multiple issuances of short-term and interim contracts, etc.); and on the judiciary (e.g. rescheduling arguments, etc.).

¹³ U.S. House Resolution 2290 – To require the Federal financial regulators to issue guidance encouraging financial institutions to work with consumers and businesses affected by a Federal Government shutdown, and for other purposes. Introduced April 10, 2019. Available at: <https://www.billtrack50.com/BillDetail/1115873>.

¹⁴ U.S. House Resolution 67 – Federal Employee Retroactive Pay Fairness Act. Introduced January 3, 2019. Available at: <https://www.billtrack50.com/BillDetail/1002019>.

Dozens of federal agencies and departments had to, according to Patrick Madden, postpone, delay, cancel, or disrupt “critical studies, tests and other programs” during the FY19 shutdown.¹⁵ One qualitative characterization by the Office of Management and Budget (OMB) of the impact of furloughs from the FY2013 shutdown read:

*Employees not on the job could not conduct food, product, and workplace safety inspections; prepare for flu season or monitor other public health issues; process tax refunds or respond to taxpayer questions; or provide numerous other services important to the general public and the economy.*¹⁶

Impact on Recruitment

CRs and shutdowns also negatively impact the government’s ability to attract, hire, and retain the best possible workforce. During the 2018-2019 shutdown alone, according to a poll conducted by Clever Real Estate, 5% of federal workers reported quitting their jobs, 10% were actively looking for alternative employment opportunities, and 14% were considering looking for alternative employment.¹⁷ In an interview with Patrick Madden on National Public Radio, Paul Greenberg, a respected NASA scientist, said, “People are leaving... This is not just intellectual capability and continuity. This is frontline national security. We’re gonna have lots of great people leave because [of the shutdown] and we’re chasing away the next generation of talent that’s vital to the health

¹⁵ Madden, Patrick. “Shutdown Stirs Fears for Federal Recruiting.” National Public Radio. February 11, 2019. Available at: <https://wamu.org/story/19/02/11/is-some-loser-gonna-put-a-rover-on-the-moon-shutdown-stirs-fears-for-federal-recruiting/>

¹⁶ Office of Management and Budget. “Impacts and Costs of the October 2013 Federal Government Shutdown.” November 2013. Page 4. Available at: https://www.aphl.org/policy/Documents/2013_FedGov_Shutdown_Impact_Report.pdf.

¹⁷ Smith, Ian. “Study Says Federal Employees Weren’t Prepared for the Shutdown. February 14, 2019. FedSmith.com. Available at: <https://www.fedsmith.com/2019/02/14/study-says-federal-employees-werent-prepared-shutdown/>

of our government.”¹⁸ CRs and lapses in appropriations also affect agencies’ ability to fill positions¹⁹ and “hurt morale in the civil service.”²⁰

Macroeconomic Impact

Though there is no uniform method for assessing the costs of a shutdown, the economy as a whole is also negatively impacted by lapses in appropriations.²¹ Estimates from the 2013 shutdown ranged from \$40 million to \$80 million *per day*.²² Standards & Poor’s estimated the cost of the FY2013 shutdown at \$1.5 billion *per day*.²³ The wide range of estimates reflect the fact that there is no single definition of defining and calculating “costs.”²⁴

The Chairman of the Council of Economic Advisers recently estimated that the 2018-2019 shutdown reduced quarterly economic growth by 0.13% *per week*, the result of lost work from furloughed employees and contractors.²⁵ Others estimated the number to be 0.15% per week.²⁶ Whatever the number, January 15, 2019 White House

¹⁸ Madden, Patrick. “Shutdown Stirs Fears for Federal Recruiting.” National Public Radio. February 11, 2019. Available at: <https://wamu.org/story/19/02/11/is-some-loser-gonna-put-a-rover-on-the-moon-shutdown-stirs-fears-for-federal-recruiting/>.

¹⁹ Heather Krause, Director of Strategic Issues, U.S. Government Accountability Office. Testimony Before the Senate Subcommittee on Federal Spending Oversight and Emergency Management, Committee on Homeland Security and Government Affairs. February 6, 2018. GAO-18-368T. Available at: <https://www.gao.gov/products/GAO-18-368T>.

²⁰ Blimes, Linda J. “To Avoid Government Shutdowns, Fix the Budget Process.” *The Boston Globe*. January 7, 2019. Available at: <https://www.bostonglobe.com/opinion/2019/01/07/avoid-government-shutdowns-fix-budget-process/jFkhPFfyzXmuZVhvon2BVL/story.html>.

²¹ Congressional Research Service. Report RL34680. “Shutdown of the Federal Government: Causes, Processes, and Effects.” December 10, 2018. Pages 32-33. Available at: <https://fas.org/sgp/crs/misc/RL34680.pdf>.

²² Francis, David. “The Shocking Cost to Taxpayers of a Shutdown.” *The Fiscal Times*. September 30, 2013. Available at: <http://www.thefiscaltimes.com/Articles/2013/09/30/Shocking-Cost-Taxpayers-Shutdown>.

²³ Bruggeman, Lucien. “Here’s how a government shutdown could affect you.” ABC News. January 20, 2018. Available at: <https://abcnews.go.com/Politics/government-shutdown-affect/story?id=52463538>.

²⁴ Congressional Research Service. Report RL34680. “Shutdown of the Federal Government: Causes, Processes, and Effects.” December 10, 2018. Pages 32-33. Available at: <https://fas.org/sgp/crs/misc/RL34680.pdf>.

²⁵ Greenberg, Paul. Quoted in: Tankersley, Jim. “Shutdown’s Economic Damage Starts to Pile Up, Threatening an End to Growth.” January 15, 2019. *The New York Times*. Available at: <https://www.nytimes.com/2019/01/15/us/politics/government-shutdown-economy.html>.

²⁶ Weisenthal, Joe. “Here’s How Much the Economy Will Suffer Every Week of a Government Shutdown.” *Business Insider*. September 25, 2013. Available at: <https://www.businessinsider.com/how-much-would-a-government-shutdown-hurt-the-economy-2013-9>.

projections of the FY19 shutdown acknowledged that it “weighed significantly on growth” and could force a contraction of the U.S. economy.²⁷

The economic effects of shutdowns are driven by the decrease in timely compensation for employees, reductions in government purchases, and decreased consumer confidence.²⁸ Because consumer spending is roughly 70% of economic activity, delays in salaries can cause immediate short-term disruptions, and the data show that household spending of furloughed employees declines by 10% to 15%.²⁹ The OMB has previously cited several types of “economic disruption” because of the cessation of government activities that drive the private sector, including permitting, reviews, licensing, IRS income verification for financial institutions, federal loans to small businesses, etc.³⁰ The OMB’s report also cited the absence of the IRS income verifications’ ability for use by financial institutions in adjudicating loan applications for potential borrowers. Indeed, as furloughed federal employees and contractors have less to spend and change their purchasing patterns, they are unable to invest their income. More than one-third (38%) of federal employees said that the 2018-2019 shutdown forced them to delay buying a house.³¹

²⁷ Tankersley, Jim. “Shutdown’s Economic Damage Starts to Pile Up, Threatening an End to Growth.” January 15, 2019. *The New York Times*. Available at: <https://www.nytimes.com/2019/01/15/us/politics/government-shutdown-economy.html>.

²⁸ Committee for a Responsible Budget. “The Economic Cost of the Shutdown.” October 2, 2013. Available at: <https://www.crb.org/blogs/economic-cost-shutdown>.

²⁹ Baker, Scott R. “What’s the economic impact of a government shutdown?” Public Radio International. December 21, 2018. Available at: <https://www.pri.org/stories/2018-12-21/what-s-economic-impact-government-shutdown>.

³⁰ Office of Management and Budget. “Impacts and Costs of the October 2013 Federal Government Shutdown.” November 2013. Pages 2-4 and 8-12. Available at: <https://obamawhitehouse.archives.gov/sites/default/files/omb/reports/impacts-and-costs-of-october-2013-federal-government-shutdown-report.pdf>.

³¹ Smith, Ian. “Study Says Federal Employees Weren’t Prepared for the Shutdown. February 14, 2019. FedSmith.com. Available at: <https://www.fedsmith.com/2019/02/14/study-says-federal-employees-werent-prepared-shutdown/>

The OMB previously estimated that the 2013 shutdown cost taxpayers approximately \$2 billion in lost productivity, with an additional \$500 million lost from visitors to national parks.³² The same assessment concluded that the shutdown also resulted in decreased private sector job creation, with a result of 120,000 fewer jobs and “badly damaged” consumer and business confidence.³³ The Bureau of Economic Analysis estimated that real GDP growth in the fourth quarter of 2013 was reduced by 0.3 points as a direct effect of the shutdown.³⁴ The OMB also estimated that the 1995-1996 shutdown cost more than \$2 billion.³⁵

Finally, because furloughed federal employees have historically been paid their salaries retroactively, there is no cost savings during this decreased time of service provision.³⁶ In the words of Gordon Gray, a think tank expert, “We are paying people to do nothing. That’s basically pure waste.”³⁷

Inefficiency and Management Challenges

According to the General Accountability Office’s (GAO) Director for Strategic Issues, “CRs and lapses in appropriations leading to government shutdowns create inefficiencies and other management challenges for agencies,”³⁸ and Linda J. Blimes

³² Office of Management and Budget. “Impacts and Costs of October 2013 Federal Government Shutdown.” November 2013. Available at: <https://obamawhitehouse.archives.gov/sites/default/files/omb/reports/impacts-and-costs-of-october-2013-federal-government-shutdown-report.pdf>.

³³ Ibid.

³⁴ Heather Krause, Director of Strategic Issues, U.S. Government Accountability Office. Testimony Before the Senate Subcommittee on Federal Spending Oversight and Emergency Management, Committee on Homeland Security and Government Affairs. February 6, 2018. GAO-18-368T. Available at: <https://www.gao.gov/products/GAO-18-368T>.

³⁵ Congressional Research Service. Report RL34680. “Shutdown of the Federal Government: Causes, Processes, and Effects.” December 10, 2018. Available at: <https://fas.org/sgp/crs/misc/RL34680.pdf>.

³⁶ Ibid. Pages 14-15.

³⁷ Gordon Gray. Quoted by Tuttle, Brad. “The Government Shutdown Will Cost More Than Trump’s \$5 Billion Border Wall Funding, According to Experts.” Money. January 4, 2019. Available at: <http://money.com/money/5494004/government-shutdown-costs-trump-border-wall/>.

³⁸ Heather Krause, Director of Strategic Issues, U.S. Government Accountability Office. Testimony Before the Senate Subcommittee on Federal Spending Oversight and Emergency Management, Committee on Homeland Security and Government Affairs. February 6, 2018. GAO-18-368T. Available at: <https://www.gao.gov/products/GAO-18-368T>.

adds that “shutdowns end up costing taxpayers heavily in wasteful, last-minute spending.”³⁹ Those inefficiencies take the form of additional artificial and repetitive work, such as entering into multiple short-term contracts and repeatedly revising budget and travel plans.

Operational inefficiency also results from the OMB requirements for federal agencies to maintain shutdown plans or contingency plans of varying dates and timelines.⁴⁰ These include determining which activities are exempted or still legally authorized during a lapse, estimates of the amount of time necessary to complete orderly shutdown, and the number of employees to be retained. Due to the annual uncertainty and inconsistency of federal appropriations, this effort must be expended for all potential funding lapses, actual shutdowns, and after a shutdown (backlogs of work).⁴¹ With 90% of fiscal year appropriations requiring at least one CR, that uncertainty can mean perpetual preparations, which divert employee and managerial resources away from normal business.

Aside from lost productivity, there are also inefficiencies from the general budgetary uncertainty. When it comes to spending budgets, federal managers are forced to limit or delay spending during CRs because they are uncertain of the final appropriations. This can result in delayed contract and grant awards, which adversely impacts service provision and the quality of work performed, and it increases costs.⁴²

³⁹ Blimes, Linda J. “To Avoid Government Shutdowns, Fix the Budget Process.” *The Boston Globe*. January 7, 2019. Available at: <https://www.bostonglobe.com/opinion/2019/01/07/avoid-government-shutdowns-fix-budget-process/JFkhPFfyzXmuZVhvon2BVL/story.html>.

⁴⁰ Office of Management and Budget. Circular No. A-11: Preparation, Submission, and Execution of the Budget. June 2018. §124. Available at: <https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf>.

⁴¹ Congressional Research Service. Report RL34680. “Shutdown of the Federal Government: Causes, Processes, and Effects.” December 10, 2018. Available at: <https://fas.org/srgp/crs/misc/RL34680.pdf>.

⁴² Heather Krause, Director of Strategic Issues, U.S. Government Accountability Office. Testimony Before the Senate Subcommittee on Federal Spending Oversight and Emergency Management, Committee on Homeland Security and Government Affairs. February 6, 2018. GAO-18-368T. Available at: <https://www.gao.gov/products/GAO-18-368T>.

The GAO found that it forces agencies to spend funds on lower-priority items because they can be procured within the reduced budgetary timelines.

III. HISTORY & BACKGROUND

Article 1 of the U.S. Constitution clearly designates budgetary functions, the “power of the purse,” to Congress by providing the authority to create and collect taxes as well as the power to borrow money.⁴³ The constitution does *not*, however, specify how Congress should exercise its authority “or how the federal budget process should work.”⁴⁴ Blimes explained as follows:

*The framers of the Constitution structured our system to give the executive branch the key role in budget formulation, while the spending function (the “power of the purse”) was put squarely in the legislative branch. This division of responsibility is fundamental to the idea of checks and balances. However, by placing so much authority for deciding on government revenue and spending in the hands of the legislature, the framers ensured that many competing interests would constantly vie for resources in Congress. This arrangement puts the budget at the heart of our democratic enterprise.*⁴⁵

The Congressional Budget and Impoundment Control Act of 1974⁴⁶ provided the framework for the budget process and created a budget committee in each house of Congress “to allow Congress to develop an independent means to analyze the Presidential budget, reconcile it with congressional plans, and develop a fiscal policy of its own.”⁴⁷ Additionally, the Act established the Congressional Budget Office “to provide Congress with independent, nonpartisan analyses.”⁴⁸ Together, the 1974 Budget Act and House Rule X established the jurisdiction of the House Budget Committee, which included the responsibility for “budget process generally.”⁴⁹

⁴³ U.S. Constitution. Article 1, Section 8, Clause 1. “The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States.”

⁴⁴ National Priorities Project. Budget process. Available at: <https://www.nationalpriorities.org/budget-basics/federal-budget-101/federal-budget-process/>.

⁴⁵ Blimes, Linda J. “To Avoid Government Shutdowns, Fix the Budget Process.” *The Boston Globe*. January 7, 2019. Available at: <https://www.bostonglobe.com/opinion/2019/01/07/avoid-government-shutdowns-fix-budget-process/jFkhPFfyzXmuZVhvon2BVL/story.html>.

⁴⁶ PL 93-344.

⁴⁷ House Budget Committee Website. History & Jurisdiction. Available at: <https://budget.house.gov/about/history-and-jurisdiction>.

⁴⁸ Ibid.

⁴⁹ Rule X: Organization of Committees at 1(d)2, available at: <http://clerk.house.gov/legislative/house-rules.pdf>.

There are four major legislative acts related to the budget process, but they focus on controlling deficit spending and related enforcement and do not generally affect budgetary processes. Because of this, they are not discussed in this memo, which focuses on the budgetary process and not on spending levels.

It is important to distinguish between authorization bills and appropriations bills. Authorization bills, as the Committee for a Responsible Budget explains, “create, extend, or make changes to statutes and specific programs and specify the amount of money that appropriators may spend on a specific program... [and they] design the rules and set out the details for the programs.”⁵⁰ Authorizations provide the legal authority to spend money and can be permanent, for a single fiscal year, or multiple fiscal years. They fall under legislative committees in each house of Congress, and not in the appropriations committees.

At the same time, appropriations bills, the Committee for a Responsible Budget goes on, “provide the discretionary funding available to agencies and programs that have already been authorized.”⁵¹ Appropriations provide the finances for agencies to execute the programs established in authorization bills. They, the Congressional Research Service explains, “are characteristically annual and generally provide funding authority that expires at the end of the federal fiscal year... In recent years these [appropriations] measures have provided approximately 35% to 39% of total federal spending.”⁵² Appropriations measures fall under the respective appropriations committees of each house of Congress.

⁵⁰ Committee for a Responsible Budget. “Appropriations 101.” May 30, 2018. Available at: <https://www.crfb.org/papers/appropriations-101>.

⁵¹ Ibid.

⁵² Congressional Research Service. Report R42388: “The Congressional Appropriations Process: An Introduction.” November 30, 2016. Available at: <https://www.everycrsreport.com/reports/R42388.html>.

The appropriations process covers the *discretionary* portion of the federal budget. The budget process does not appropriate funds for “*mandatory* spending,” which have funds accompanying their authorization and are spent automatically. There are three types of appropriations measures:

- Regular appropriations bills provide most of the funding that is provided in all appropriations measures for each fiscal year and must be enacted by October 1.
- Continuing Resolutions are used to provide temporary funding for operations in the absence of a budget for the fiscal year and generally provide funding at previous fiscal year levels.⁵³
- Supplemental appropriations bills “provide additional appropriations to become available during a fiscal year.”⁵⁴

For regular appropriations bills, the annual appropriations process⁵⁵ has five key steps:

1. *Submission of a presidential budget request.* The president’s budget is to be submitted to Congress by the first Monday in February,⁵⁶ though in presidential transition years, Congress usually provides deadline extensions.⁵⁷ The Office of Management and Budget prepares the president’s budget, which “details the administration’s position on the full range of federal revenue and spending. The request encompasses economic projections and analysis, as well as detailed program-by-program funding levels proposed

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ This memo uses “annual congressional budget process” and “appropriations process” interchangeably.

⁵⁶ 31 U.S.C. §1105(a).

⁵⁷ Christensen, Michelle D. Congressional Research Service Report RS20752: Submission of the President’s Budget in Transition Years.” Available at: <https://fas.org/sgp/crs/misc/RS20752.pdf>.

by the administration.”⁵⁸ The president’s request, which is often several thousand pages, “has no binding authority...and is best understood as a detailed statement by the administration of its fiscal goals and policy preferences.” The president’s budget proposal, as A Brief Guide to the Federal Budget and Appropriations Process explains, “also projects deficits and surpluses for the government as a result of the recommendations in the budget for the immediate fiscal year, as well as the next 9 fiscal years.”⁵⁹

2. *Passage of concurrent budget resolutions.* Congress must respond to the president’s budget proposal through concurrent resolutions on the budget and is to be filed by April 15.⁶⁰ The resolutions set the total level of discretionary funding for the coming fiscal year, known as 302(a) allocations. They do not require presidential action. Similar to the president’s budget request, these resolutions “often include multiple policy proposals...[which are] understood to be an effort by the majority to send a message about their fiscal priorities.”⁶¹ While the concurrent resolutions only allocate money for the upcoming fiscal year (or current fiscal year, if initiated after the start of a new fiscal year), it must also cover at least four subsequent fiscal years.⁶² Though the CBA establishes April 15 as the deadline for adoption of the congressional budget resolution, in 13 of the past 20 fiscal years, Congress did not adopt its resolution by the established date.⁶³ There is no penalty if the resolution is not completed on time or at all, and in such

⁵⁸ A Brief Guide to the Federal Budget and Appropriations Process. Available at: www.acenet.edu/news-room/pages/a-brief-guide-to-the-federal-budget-and-appropriations-process.aspx.

⁵⁹ Ibid.

⁶⁰ P.L. 930344, as amended. The Congressional Budget and Impoundment Control Act of 1974 (CBA).

⁶¹ A Brief Guide to the Federal Budget and Appropriations Process. Available at: www.acenet.edu/news-room/pages/a-brief-guide-to-the-federal-budget-and-appropriations-process.aspx.

⁶² 31 U.S.C. §1105(a).

⁶³ Heniff, Bill. Congressional Research Service Report RL30297: “Congressional Budget Resolutions: Historical Information.” Available at: <https://fas.org/sgp/crs/misc/RL30297.pdf>.

instances, Congress may adopt a deeming resolution to provide administrative and procedural remedies.⁶⁴

3. *Markup by subcommittees.* Each appropriations committee subdivides its 302(a) allocations for their subcommittees into 302(b) sub-allocations, which serve as spending ceilings for the fiscal year being considered. The subcommittees determine how to distribute the 302(b) sub-allocations to the agencies under their jurisdiction through consultation, testimony and hearings, and reviews of agency justifications. Each subcommittee then drafts, marks up, and reports its bill to the full appropriations committee. Each house of Congress votes on the appropriations developed by the appropriations subcommittees in their respective house. In the House of Representatives, the spending bill is considered by the Committee of the Whole House on the State of the Union, comprised of all members.⁶⁵ Reconciliation should be completed by June 15.⁶⁶

4. *Votes and reconciliation.* Following the passage of appropriations bills in each house, a conference committee is appointed to reconcile the differences between the two versions of the spending bills.⁶⁷ After resolving the differences and agreeing on language and spending, the House and Senate must pass identical versions of the bill. This is to be accomplished by June 30 for each appropriations bill, after which it goes to the president for consideration.⁶⁸

⁶⁴ Congressional Research Service. Report R42388: "The Congressional Appropriations Process: An Introduction." November 30, 2016. Available at: <https://www.everycrsreport.com/reports/R42388.html>.

⁶⁵ House Rule XVIII, Clause 3.

⁶⁶ Section 300 of the Congressional Budget Act of 1974, as amended (P.L. 93-344, 2 U.S.C. 631).

⁶⁷ This is the general procedures, though "agreement may be reached through an exchange of amendments between the houses." Congressional Research Service. Report R42388: "The Congressional Appropriations Process: An Introduction." November 30, 2016. Available at: <https://www.everycrsreport.com/reports/R42388.html>.

⁶⁸ Section 300 of the Congressional Budget Act of 1974, as amended (P.L. 93-344, 2 U.S.C. 631).

5. *Signature into law.* An appropriation becomes law upon receiving the president's signature, which is to be accomplished by October 1, the beginning of the fiscal year. Currently, there are 12 distinct appropriations bills, each of which must be signed by the president to complete the appropriations process and make it law. This is called “regular order,” which should be completed before the start of the fiscal year on October 1. In reality, according to the American Council on Education, “Over the last few years, few if any of the appropriations bills pass in regular order, even those enjoying wide bipartisan support.”⁶⁹

If Congress is unable to follow this regular process to complete negotiation of each of the 12 appropriations bills individually, it has the option of negotiating some of them together. The process, known as an “omnibus” appropriation “allows for greater range of negotiation than any individual bill would and also makes a possible presidential veto over a particular issue less likely.”⁷⁰ A so-called “minibus” measure can collectively provide funding for a few select agencies. Omnibus and minibus measures “may also be used to achieve a timely end to the annual appropriations process.”⁷¹

In the absence of a budget under the regular or collective appropriations mechanisms by the start of the fiscal year on October 1, the budget authority of the previous fiscal year will expire, and unfunded government agencies must “cease non-excepted activities due to lack of budget authority”⁷²—a “shutdown”⁷³—because

⁶⁹ A Brief Guide to the Federal Budget and Appropriations Process. Available at: www.acenet.edu/news-room/pages/a-brief-guide-to-the-federal-budget-and-appropriations-process.aspx.

⁷⁰ Congressional Research Service. Report R42388: “The Congressional Appropriations Process: An Introduction.” November 30, 2016. Available at: <https://www.everycrsreport.com/reports/R42388.html>.

⁷¹ A Brief Guide to the Federal Budget and Appropriations Process. Available at: www.acenet.edu/news-room/pages/a-brief-guide-to-the-federal-budget-and-appropriations-process.aspx.

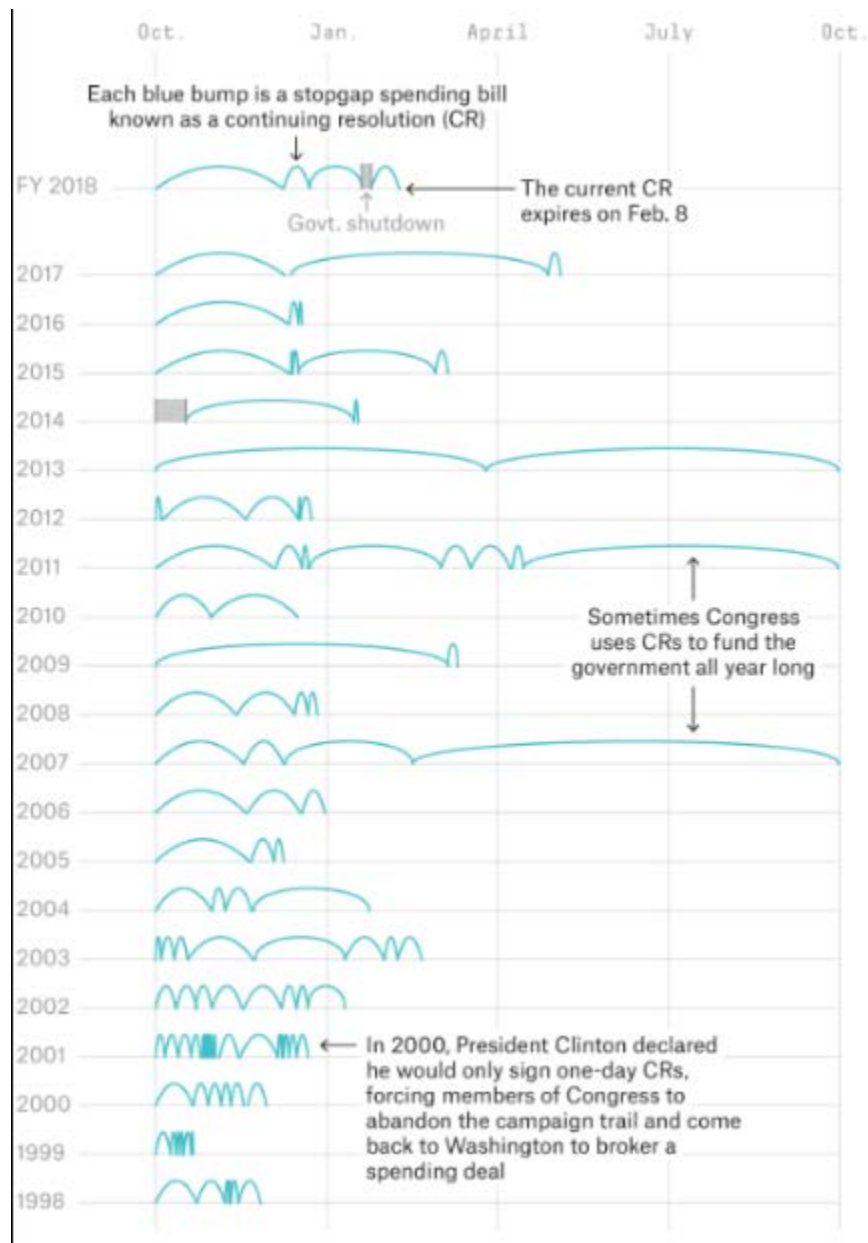
⁷² Congressional Research Service. Report R42388: “The Congressional Appropriations Process: An Introduction.” November 30, 2016. Available at: <https://www.everycrsreport.com/reports/R42388.html>.

⁷³ Essential services and mandatory spending programs continue to function under a lapse in appropriations.

government agencies are prohibited from operating without funding.⁷⁴ To prevent a cessation of operations, Congress has frequently turned to CRs to provide for temporary funding for one or more agencies. The following chart illustrates the frequency and duration of the CRs from FY1998 to FY2018.

⁷⁴ P.L. 97-258, known as the 1982 Anti-deficiency Act (31 U.S.C. §1341(a)-1342 and 1349-1350).

Chart 2: Frequency & Duration of Continuing Resolutions from 1998 – 2018.⁷⁵

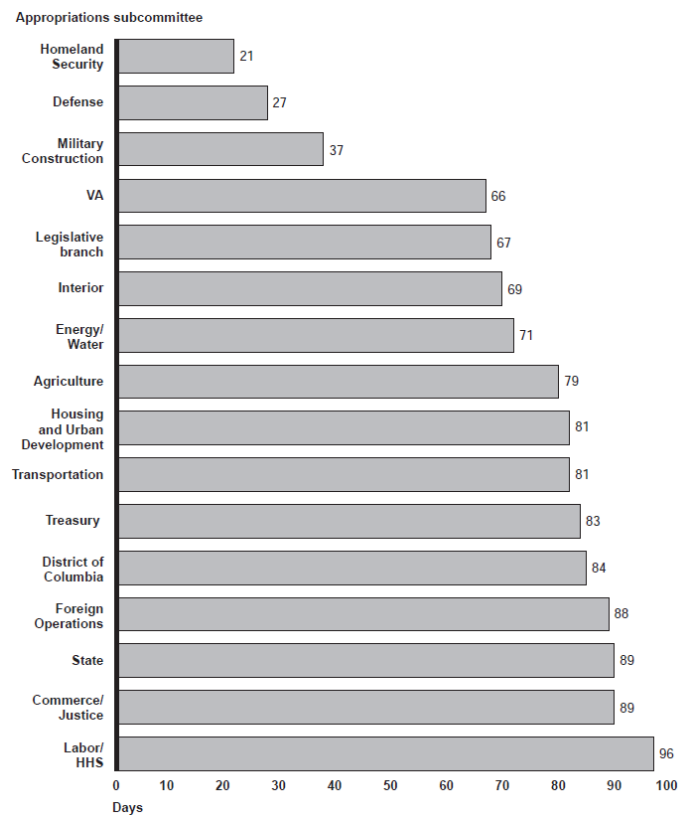


The chart above excludes CRs that funded portions of the government, leading to partial government shutdowns. The duration of such partial CRs varies by agency, as the following chart illustrates. Historically, those appropriations related to security and

⁷⁵ FiveThirtyEight.com. From “20 Years of Congress’s Budget Procrastination, In One Chart.” February 7, 2018. Available at: <https://fivethirtyeight.com/features/20-years-of-congresss-budget-procrastination-in-one-chart/>.

defense tend to have fewer CRs, and those CRs do not last as long as those of other appropriations subcommittees.

Chart 3: Average Annual Duration of CRs by Appropriations Subcommittee, FY1999-2009.⁷⁶



Assessment of current policy regime

There is no measure by which the current budget process is working well. The frequency and duration of CRs is increasing. The country recently experienced the longest government shutdown in history. There have only been four fiscal years in the past 42 when all regular appropriations were enacted before the start of the fiscal year. If something only works 1/10th of the time, it isn't really working. As Stuart M. Butler and Timothy Higashi, in a recent Brookings Institution article, stated, "The federal budget

⁷⁶ GAO Report 09-879: Continuing Resolutions: Uncertainty Limited Management Options, and Increased Workload in Selected Agencies. September 2009. Available at: <https://www.gao.gov/assets/300/295970.pdf>.

process is a costly embarrassment [that] threatens America's international fiscal reputation and credit rating.”⁷⁷ Alice Rivlin, a well-respected economist and former government official, recently testified that it is “frightening and embarrassing that the world's most experienced democracy is currently unable to carry out even the basic responsibility of funding the services that Americans are expecting from their government.”⁷⁸

For a process that is supposed to be reliable and regular, it is widely recognized that “the timing of the various stages of the appropriations process tends to vary from year to year.”⁷⁹ Unfortunately, the services of the government and the employees and contracts necessary for those services do not vary, creating the inefficiencies described in the Statement of the Problem and fueling a negative public perception.

Public perception of Congress is already at historic lows and continues to decline, with a full quarter of Americans citing “dissatisfaction” with the government as the top problem in the country. Frank Newport expresses his feelings thus: “The inability to reach agreement on how to fund the government would confirm these low opinions—and most likely make them even worse.”⁸⁰

This is not a partisan issue. Stuart M. Butler and Timothy Higashi wrote, “Members of both parties are gradually realizing that the current process angers

⁷⁷ Butler, Stuart M. and Higashi, Timothy. “Three reasons to be optimistic about budget process reform.” March 15, 2018. The Brookings Institution. Available at: <https://www.brookings.edu/blog/up-front/2018/03/15/three-reasons-to-be-optimistic-about-budget-process-reform/>

⁷⁸ Rivlin, Alice. Testimony before the Senate Homeland Security and Government Affairs Committee. February 6, 2018. Available at: <https://www.hsgac.senate.gov/subcommittees/fso/hearings/terrible-no-good-very-bad-ways-of-funding-government-exploring-the-cost-to-taxpayers-of-spending-uncertainty-caused-by-governing-though-continuing-resolutions-giant-omnibus-spending-bills-and-shutdown-crises>.

⁷⁹ Congressional Research Service. Report R42388: “The Congressional Appropriations Process: An Introduction.” November 30, 2016. Available at: <https://www.everycrsreport.com/reports/R42388.html>.

⁸⁰ Newport, Frank. “Looming Shutdown Would Further Damage Government's Image. January 17, 2018. Gallup. Available at: <https://news.gallup.com/opinion/polling-matters/225749/looming-shutdown-further-damage-government-image.aspx>.

constituents and is not in either party's long-term interest.”⁸¹ Furthermore, members of both parties recognize that Americans consider government shutdowns to be political in nature.⁸² Indeed, at some level, according to the Committee for a Responsible Budget, a “federal budget...reflects the values of a majority of Americans...yet many feel that process does not reflect their values.”⁸³

Efforts to Date

Biennial budgeting has been discussed since the 95th Congress (1977-1998)⁸⁴ and every administration since Ronald Reagan has considered the prospect of biennial budgeting.⁸⁵

On the executive side, the 1984 Pearson-Ribicoff Commission proposed that half of the regular appropriations bills each year ought to be considered by Congress.⁸⁶ The 1989 National Economic Commission (1989) and the 1993 National Performance Review (also known as the Gore Commission) were supportive of biennial budgeting. At the beginning of the Clinton Administration, the Gore Commission stated, “Considerable time could be saved—and used more effectively—in both the executive and legislative branches of government if budgets and appropriations were moved to a biennial cycle.”⁸⁷

⁸¹ Butler, Stuart M. and Higashi, Timothy. “Three reasons to be optimistic about budget process reform.” March 15, 2018. The Brookings Institution. Available at: <https://www.brookings.edu/blog/up-front/2018/03/15/three-reasons-to-be-optimistic-about-budget-process-reform/>.

⁸² Newport, Frank. “Looming Shutdown Would Further Damage Government's Image. January 17, 2018. Gallup. Available at: <https://news.gallup.com/opinion/polling-matters/225749/looming-shutdown-further-damage-government-image.aspx>.

⁸³ Committee for a Responsible Budget. “Appropriations 101.” May 30, 2018. Available at: <https://www.crb.org/papers/appropriations-101>.

⁸⁴ Saturno, James V. “Biennial Budgeting: Issues, Options, and Congressional Actions.” January 10, 2017. Congressional Research Service Report R44732. Available at: <https://fas.org/sgp/crs/misc/R44732.pdf>.

⁸⁵ Ibid.

⁸⁶ U.S. Congress, Senate Committee on Rules and Administration. “Report of the Study Group on Senate Practices and Procedures.” 98th Congress, 2nd session, S. Prt. 98-242. 1984. Page 21.

⁸⁷ U.S. Office of the Vice President. “Creating a Government That Works Better and Costs Less: Mission-Driven, Results-Oriented Budgeting.” Page 59.

It is worth noting that this position was reaffirmed in the final budget submission of the Clinton Administration (2000), after years of bruising budget fights and what was then the largest shutdown in government history. The FY2004 budget submission of Clinton's successor, President Bush, continued the sentiment, which stated that "a biennial budget would allow lawmakers to devote more time every other year to ensuring that taxpayers' money is spent wisely and efficiently. In addition, government agencies would receive more stable funding, which would facilitate longer range planning and improved fiscal management."⁸⁸

On the congressional side, some form of biennial budgeting has frequently been proposed and discussed frequently. The FY2004 budget also states, "Congressional action related to biennial budgeting first occurred in 1982" and has continued through nearly all of the Congresses.⁸⁹ In 2011, according to Felicia Sonmez, "the Senate unanimously passed a bill stating that neither members of Congress nor the president would receive their basic pay during any government shutdown of longer than 24 hours."⁹⁰ The one time that a vote on biennial budgeting made it to the House floor, in 2000, it was only narrowly defeated by a vote of 217-201.⁹¹

Recently, according to Romina Boccia, "Lawmakers from both parties appear to agree that the current budget and appropriations process is broken."⁹² The shared

⁸⁸ OMB. Budget of the United States Government, Fiscal Year 2004, Analytical Perspectives. 2003. Page 318.

⁸⁹ Saturno, James V. "Biennial Budgeting: Issues, Options, and Congressional Actions." January 10, 2017.

Congressional Research Service Report R44732. Available at: <https://fas.org/sgp/crs/misc/R44732.pdf>.

⁹⁰ Sonmez, Felicia. "Sen. Mark Warner introduces 'Stop STUPIDITY Act' aimed at preventing future shutdowns. *The Washington Post*. January 22, 2019. Available at: https://www.washingtonpost.com/politics/sen-mark-warner-introduces-stop-stupidity-act-aimed-at-preventing-future-shutdowns/2019/01/22/2bafc150-1e82-11e9-8e21-59a09ff1e2a1_story.html.

⁹¹ Congressional Record. Volume 146, p. H 3127. Vote No. 186. Available at: <http://www.thomas.gov/cgi-bin/query/F?r106:1:/temp/~r106GFg9yh:e344684>.

⁹² Boccia, Romina. "Biennial Budgeting is No Antidote to Budget Process Failure. September 11, 2018. The Heritage Foundation. Available at: <https://www.heritage.org/budget-and-spending/report/biennial-budgeting-no-antidote-budget-process-failure>.

frustrations led to the passage of the 2018 Bipartisan Budget Act, which established a Joint Select Committee on Budget and Appropriations Process Reform. The Committee was charged with providing “recommendations and legislative language that will significantly improve the budget and appropriations process.”⁹³ The Committee held five days of public hearings and multiple meetings and working sessions to develop the recommendations and accompanying draft legislation as mandated by the Act.⁹⁴ Among other things, the Committee recommended establishing “a biennial budget process by requiring budget resolutions to cover at least two years...while maintaining annual appropriations. Specifically, the budget resolution would provide two years of allocations to the Committees on Appropriations, which would then provide topline discretionary spending levels for each fiscal year of the biennium.”⁹⁵ Despite remarkable bi-partisan support among the 16 members of the JSC and promising signs of real potential for passing major legislation, their efforts succumbed to political infighting unrelated to the merits of biennial budgeting:

At the eleventh hour, however, outside the JSC torpedoed the Committee’s ability to crown its success with a final vote that met its threshold requirements. The central problem was that Senate leaders Mitch McConnell (R-KY) and Chuck Schumer (D-NY) could not agree on how the Senate would take up, and potentially amend, the JSC’s

⁹³ P.L. 115-123. The Bipartisan Budget Act of 2018. §30442(b)(2)(A) February 9, 2018. Available at: <https://budgetcounsel.com/%C2%A7296c-bba2018-section-30442-establishment-of-joint-select-committee/>.

⁹⁴ Congressional Research Service. The Joint Select Committee on Budget and Appropriations Process Reform. March 26, 2019. R45111. Available at: <https://crsreports.congress.gov/product/details?prodcode=R45111>.

⁹⁵ House Budget Committee. “House Budget Committee Chairman, Ranking Member Introduce Bipartisan Budget Reform Legislation.” Press Release. November 29, 2018. Available at: <https://budget.house.gov/news/press-releases/house-budget-committee-chairman-ranking-member-introduce-bipartisan-budget>.

report. That led Democrats in the JSC to fear amendments being introduced in the Senate that would undermine their agreements with Committee Republicans. As a result, all but two Democratic JSC members pulled their support for the final JSC package.⁹⁶

Although it did not succeed in 2018, an election year—according to Stuart M. Butler and Timothy Higashi, “the JSC has been viewed as a valuable beginning, and its support for biennial budgeting and other steps will help to build momentum for those reforms in the future.”⁹⁷

Numerous other senators and representatives have proposed related legislation. Since 2005, Senator Johnny Isakson (R-GA) has proposed legislation that would create “a deficit-neutral reserve fund for changing the federal budget process to a biennial budget.”⁹⁸ In 2013, the amendment passed the Senate 68-31 with bi-partisan support, indicating that the issue has “gained new momentum.”⁹⁹

Senator Mike Enzi (R-WY) has introduced multiple pieces of legislation in recent years, elements of which include budgeting for a two-year period and separating the 12 appropriation bills over different sessions of each Congress but with the defense appropriation bill considered each year.¹⁰⁰

⁹⁶ Butler, Stuart M. and Higashi, Timothy. “How Can We Take Partisanship Out of the Budget Process? The Lessons from this Independent Committee Can Help.” December 19, 2018. Available at: <https://www.brookings.edu/blog/up-front/2018/12/19/how-can-we-take-partisanship-out-of-the-budget-process-the-lessons-from-this-independent-committee-can-help/>.

⁹⁷ Butler, Stuart M. and Higashi, Timothy. “How Can We Take Partisanship Out of the Budget Process? The Lessons from this Independent Committee Can Help.” December 19, 2018. Available at: <https://www.brookings.edu/blog/up-front/2018/12/19/how-can-we-take-partisanship-out-of-the-budget-process-the-lessons-from-this-independent-committee-can-help/>.

⁹⁸ Committee for a Responsible Budget. “Biennial Budgeting Picks Up Steam in Congress.” April 3, 2013. Available at: <https://www.crfb.org/blogs/biennial-budgeting-picks-steam-congress>.

⁹⁹ Ibid.

¹⁰⁰ S.385 – Biennial Appropriations Act. February 5, 2015. Available at: <https://www.congress.gov/bill/114th-congress/senate-bill/385?r=19>.

Congressman Reid Ribble (R-WI) introduced H.R.1610–Biennial Budgeting and Enhanced Oversight Act of 2015, which would amend the Congressional Budget Act of 1974 and Congressional Budget Impoundment and Control Act of 1974 and appropriate House Rules to shift toward a biennial process.¹⁰¹ The proposal had “an amazing 225 cosponsors,” as Alice Rivlin put it.¹⁰²

Other proposals have focused on minimizing or eliminating shutdowns through the provision of laws that would guarantee funding, something like an institutionalized CR. Advocates suggest that “without the threat of a government shutdown, Congress and the President would be able to enact regular appropriations without crisis atmosphere” and therefore ultimately pass more sound budgets.¹⁰³

Senator Rob Portman (R-OH) has repeatedly introduced legislation to end government shutdowns. Most recently, S.104, the “End Government Shutdowns Act”¹⁰⁴ in 2019, was to provide a kind of “automatic CR.” The legislation proposes automatic funding for any government agencies without an appropriation measure at the start of the fiscal year. The provision would expire upon the agency’s receipt of a full-year appropriation being approved. Senator Portman’s legislation has a tiered system for the automatic budgetary provision, with agencies receiving 100% of the previous fiscal year’s budget for the first 120 days and the percentage decreasing by 1% for each succeeding 90-day period.

¹⁰¹ H.R.1610 – Biennial Budgeting and Enhanced Oversight Act of 2015. Introduced March 25, 2015. Available at: <https://www.congress.gov/bill/114th-congress/house-bill/1610/text>.

¹⁰² Rivlin, Alice M. “Biennial Budgeting: A first step toward budget process reform.” Testimony Before the House Committee on the Budget. November 18, 2015. Available at: <https://www.brookings.edu/testimonies/biennial-budgeting-a-first-step-toward-budget-process-reform/>.

¹⁰³ Saturno, James V. Memorandum: “Background Materials Related to Certain Budget Process Reform Intended to Promote More Timely Consideration of Regular Appropriations Measures.” December 13, 2018. Available at: page 547 of <https://republicans-budget.house.gov/wp-content/uploads/2019/01/CPRT-115HPRT33612.pdf>.

¹⁰⁴ S.104 – End Government Shutdowns Act. January 10, 2019. Available at: <https://www.congress.gov/bill/116th-congress/senate-bill/104/all-info>.

In 2018, Senator Perdue (R-GA), as part of the Joint Select Committee on Budget and Appropriations Process Reform, offered an amendment to proposed legislation that would have established “milestones” within the budget process and related penalties including “no recess or use of official funds for member travel if these funding milestones are not met.”¹⁰⁵ In January 2019, Congressman Jim Cooper (D-TN) introduced H.R. 129, the No Budget, No Pay Act, which would “provide that Members of Congress may not receive pay after October 1 of any fiscal year in which Congress has not approved a concurrent resolution on the budget and passed the regular appropriations bills.”¹⁰⁶

In response to the FY19 shutdown, Senator Mark Warner (D-VA) introduced the Stop Stupidity Act, which would prevent future shutdowns by funding “all aspects of the government except for the legislative branch and the Executive Office of the President—effectively forcing Congress and the White House to come to the negotiating table without putting at risk the economy or hurting the American Public.”¹⁰⁷

Key Actors & Stakeholders

For the purposes of implementing this policy proposal, the key actors are all the members of Congress, since they alone have the authority to consider and pass the implementing legislation. The most influential of them are the House and Senate leadership and those sitting on the House Budget Committee and the Senate Budget

¹⁰⁵ House Committee on the Budget. 115th Congress. December 19, 2018. Print 115-15. Page 47. Available at: <https://republicans-budget.house.gov/wp-content/uploads/2019/01/CPRT-115HPRT33612.pdf>

¹⁰⁶ H.R. 129 – 116th Congress: No Budget, No Pay Act.” Introduced January 3, 2019. Available at: <https://www.govtrack.us/congress/bills/116/hr129/text>.

¹⁰⁷ “Warner Introduces Legislation to End Future Government Shutdowns.” Press Release. January 22, 2019. Available at: <https://www.warner.senate.gov/public/index.cfm/2019/1/warner-introduces-legislation-to-end-future-government-shutdowns>.

Committee. Their views on biennial budgeting are considered in the Political Analysis portion of this memo below.

As previously described, there are numerous stakeholders outside of the legislative branch. It is not grandiose to state that American tax payers, writ large, are the biggest stakeholders, as the provision of regular, efficient, and effective government affects them all as a result of their providing the money in question through payment of taxes. Additionally, nearly all Americans benefit from federal programs or monies either directly or indirectly, including through the provision of services that are funded or administered by the federal government.

The largest single stakeholders are federal employees and contractors who rely on salaries and payments, 57% of whom said that the FY2019 shutdown negatively impacted their lives.¹⁰⁸ Following closely behind those employees and contractors are the companies, organizations, and states that employ them and those that rely on federal money for revenue or program delivery.

The Political Analysis section further discusses stakeholders and other key influencers.

¹⁰⁸ Smith, Ian. "Study Says Federal Employees Weren't Prepared for the Shutdown. February 14, 2019. FedSmith.com. Available at: <https://www.fedsmith.com/2019/02/14/study-says-federal-employees-werent-prepared-shutdown/>.

IV. POLICY PROPOSAL

A) Policy Goal

The goal of this policy is to provide federal appropriations in a more regularized and timely manner, resulting in improved planning within government agencies, increased efficiency in the provision of government services, and fewer disruptions for federal agencies and employees. The elements of a successful policy reform would be the following:

- To increase predictability for federal agencies and employees
- To increase the transparency of the budgetary process
- To increase the timeline and improve the mechanism for communication between Congress and the president in budget formulation
- To eliminate or decrease the possibility of government shutdowns
- To increase Congressional oversight of appropriated funds
- To improve confidence in Congress among the American population

B) Policy Authorization

This policy proposal has four main elements, all of which would be accomplished through the same authorization tools, namely an amendment to the Congressional Budget and Impoundment Control Act of 1974. Title I of this act established the House and Senate Budget Committees and charged them with drafting an annual budget resolution for the upcoming fiscal year and the four following years.¹⁰⁹ First, the proposed amendment would instead require the budget committees to draft a biennial budget resolution. Second, the proposed amendment would replace the current non-binding concurrent congressional joint resolution with a biennial joint budget resolution, which would need to be signed by the president and then become law, while retaining the

¹⁰⁹ Public Law 93-344. July 12, 1974. 88 Stat.297. Available at: <http://legcounsel.house.gov/Comps/BUDGET.pdf>.

current annual process for budget reconciliation and appropriations bills. Third, the proposed amendment would amend the timing of the current budget process under the budget act and require the completion of the concurrent resolution by May 1 in odd-numbered years. Finally, the proposed amendment would enumerate implications should Congress fail to pass a budget by the start of the next fiscal year.

C) Policy Implementation

This policy would be implemented by Congress itself through the debate, adoption, and passage of an amendment to the 1974 Budget Act. It would take effect with the start of the 118th Congress in January 2021 and the scope of the policy would ultimately be determined by the legislation. This proposal need not begin with the entire federal budget, nor all 12 annual appropriations. It could be tested for a limited period to assess the efficacy and impact. It could also be tested in conjunction with other proposed changes, such as dividing the 12 appropriations bills into three or four “minibus” bills. Similarly, it could be implemented in conjunction with the proposal by Senator Enzi providing for staggered appropriations whereby Congress would be required to pass six appropriations bills per year, instead of 12.¹¹⁰

D) Policy Proposal

This policy proposal has two primary elements. The first is a transition from an annual to a biennial budget cycle. Specifically, there would be a two-year budget resolution with annual appropriations. One important element of the proposal is a widely-

¹¹⁰ Boccia, Romina and Eid, Dody. “Congress Wants to Do Even Less Budgeting. Here’s Why That Would Be Disastrous.” July 10, 2018. The Daily Signal. Available at: <https://www.dailysignal.com/2018/07/10/congress-wants-to-do-even-less-budgeting-heres-why-that-would-be-disastrous/>.

endorsed recommendation to give the budget resolution the force of law by moving from a joint resolution to binding acts signed into law by the president, as “setting this basic budgetary framework early...would make the appropriations process run more smoothly and with more discipline.”¹¹¹ Under this proposal, the first session of each Congress would develop and deliver a biennial budget, while as David Kendall and Jim Kessler explain, “the second session would focus on oversight of federal programs, authorizing legislation, and legislation needed to adjust budget laws for changing conditions or unforeseen events.”¹¹²

The second element of the policy proposal addresses the regularity and timeliness of passing budgets by introducing a standard automatic continuation of government operations for 120 days in the absence of appropriations, as well as additional incentives (or disincentives) for Congress to meet its budget responsibilities. As explained in the 115th Congress 2nd session, “Changes that would improve the incentives for the House and Senate to consider regular appropriations would likely have the effect of reducing reliance on CRs.”¹¹³ As previously described, the incentives/disincentives could take several forms, including:

- No Budget, No Recess legislation
- No Budget, No Travel legislation
- No Budget, No Pay legislation

¹¹¹ From Riedl, Brian M. “What’s Wrong with the Federal Budget Process.” January 25, 2005. The Heritage Foundation. Available at: <https://www.heritage.org/budget-and-spending/report/whats-wrong-the-federal-budget-process>.

¹¹² Kendall, David and Kessler, Jim. “Biennial Budgeting: Better Value for Taxpayers. September 28, 2010. Third Way. Available at: <https://www.thirdway.org/report/biennial-budgeting-better-value-for-taxpayers>.

¹¹³ Saturno, James V. Memorandum: “Background Materials Related to Certain Budget Process Reform Intended to Promote More Timely Consideration of Regular Appropriations Measures.” December 13, 2018. Available at: page 547 of <https://republicans-budget.house.gov/wp-content/uploads/2019/01/CPRT-115HPRT33612.pdf>.

E) Cost

Because this policy proposal only adjusts the timing and sequence of the budget process—and not the authorities for authorizations, appropriations, or spending caps—there are no associated costs to implement it.

F) Target Audience

This policy proposal is intended to improve the regularity and certainty of federal budgets. As such, the impact of the reform would target and positively affect a diverse array of stakeholders.

First are federal employees and contractors, who would benefit by having greater certainty in their employment, salaries, and personal lives as a result of not having to plan for the possibility of gaps in work, pay, and vacations and the potential loss in salary from government shutdowns.

The next targeted beneficiary is the federal managers who would have greater certainty in planning and implementing their budgets. The two-year time horizon would provide the ability to do longer-term planning. Additionally, they would benefit from huge efficiency gains, as they would no longer need to prepare multiple rounds of contingency operating plans for sequential CRs and potential lapses in appropriations. Because provision of government services and government-sponsored services would be more consistent and continuous as a result of this policy proposal, taxpayers and any recipients of those services would be benefiting stakeholders.

Finally, states and municipalities that directly receive federal funds would benefit from the increased certainty in the timing and duration of appropriated monies.

V. POLICY ANALYSIS

The elements of a successful policy enumerated above are again referenced here, along with the corresponding measurements of success for each:

Element of Effective Policy	Measurement Indicator
Increased predictability for federal agencies and employees	<ul style="list-style-type: none">- Number of appropriations bills passed on time- % change in number of Continuing Resolutions per appropriations bill
Increased transparency of the budgetary process and accountability for taxpayer dollars	<ul style="list-style-type: none">- Amount of time that committees and citizens have to review and contribute to legislative consultations and passages- % change to days operating for federal regulatory, oversight, whistleblower, and FOIA websites- % change in agency OIG days of operation
Increase in the timeline and mechanism for communication and cooperation between Congress and the president	<ul style="list-style-type: none">- Number of days between budget agreement in principal (biennial joint budget resolution) and appropriations bills' passage
Elimination or decrease of the possibility of government shutdowns	<ul style="list-style-type: none">- Legislative change(s) implemented as sticks- % change in # of government shutdowns
Increase in Congressional oversight of appropriated funds	<ul style="list-style-type: none">- # of oversight hearings per appropriation in a given appropriation
Improved confidence in Congress among the American population.	<ul style="list-style-type: none">- Public Polling.

Comparative Examples

Only a handful of countries and some of the main international multi-lateral organizations have experimented with two-year budgets, and none are completely analogous to this proposal. They also took place in countries with much smaller budgets and simpler appropriations processes. Based on this information, these examples offer

limited utility.¹¹⁴ While there is no equivalent to the U.S. economy in size and scope, the experience of the individual states in the U.S. can provide some historical context.

Currently, 19 U.S. states use a two-year budget cycle, with many mixed combinations, such as an annual operating budget with a biennial capital budget, significant annual budgets within biennial vehicles, and others with staggered two-year budgets for operating and capital budgets.¹¹⁵ Though the clear trend since World War II has been toward annual budgets at the state level, some states have switched to biennial budgeting due to the same motivations as this policy proposal, namely reducing the time spent on routine budget matters and increasing oversight. Some states, such as Connecticut, employ biennial budgeting to “strengthen fiscal management by doubling Connecticut’s budget horizon from 1 to 2 years” as part of a contribution to broader fiscal reforms. Senator Jonny Isakson (R-GA) has frequently proposed legislation moving to a biennial budget. For example, he wrote that “biennial budgeting has been used successfully in a number of states”¹¹⁶ as one motivation.

However, the U.S. Government Accountability Office issued a report at the request of Congress about the states’ experience and concluded that “the state experience does not provide any single answer concerning biennial budgeting.”¹¹⁷ The GAO report did conclude that the success of biennial budget cycles “will depend on the ability of the Congress and the President to reach agreement on how to design and enforce the off-year

¹¹⁴ Rolef, Susan Hattis. “Two-Year (Biennial) Budgets.” Research and Information Center. The Knesset. Date unspecified. Available at: <https://m.knesset.gov.il/EN/activity/mmm/me02392.pdf>.

¹¹⁵ U.S. General Accountability Office. “Biennial Budgeting: Three States’ Experience.” October 27, 2000. GAO-010132. Available at: <https://www.gao.gov/new.items/d01132.pdf>.

¹¹⁶ Sen. Johnny Isakson’s Position Statement on Federal Spending. Available at: <https://www.isakson.senate.gov/public/index.cfm/issue-statements?p=federal-spending>.

¹¹⁷ U.S. General Accountability Office. “Biennial Budgeting: Three States’ Experience.” October 27, 2000. GAO-010132. Available at: <https://www.gao.gov/new.items/d01132.pdf>.

process and how to respond to unanticipated needs.”¹¹⁸ Given the regularity and frequency of supplemental and emergency appropriations, that does not appear to be an inherent impediment, and the federal government has mechanisms that are “used to adjust fund availability and timing in response to program needs—such as multiyear funds, forward funding, and advance funding” that are not common in states.¹¹⁹ With regard to increases in oversight, the GAO report found that “there must be commitment to such oversight activities over and above any time savings,” which is an inherent element of this policy proposal.

It is important to remember that no state can serve as a proxy for the federal government due to the size of the federal budget as well as its breadth, including issues such as defense and foreign policy, that states simply do not have. The applicability of states’ experiences is also limited because of the federal government’s unique features, as indicated by the GAO in its report, including controls on spending (the federal government has a unified budget while state budgets “separate operating, capital, enterprise, and various other funds”), differences in executive authorities between governors and the president, and the fact that “states generally do not have separate budget, authorization, and appropriations processes.”¹²⁰

Another illustrative example is the experience of presidential-congressional budget summits. The experience of five of these—in 1987, 1990, 1993, 1997, and 2011—cited by the Congressional Research Service have “demonstrated the effectiveness of

¹¹⁸ U.S. General Accountability Office. “Biennial Budgeting: Three States’ Experience.” October 27, 2000. GAO-010132. Available at: <https://www.gao.gov/new.items/d01132.pdf>.

¹¹⁹ Ibid.

¹²⁰ Ibid. Page 6.

establishing a multiyear framework for the budget.”¹²¹ Establishing this as a regular part of the formal process could recreate the success of those summits.

Elements of Policy Analysis

a) Impact

Pros

The policy would have a wide impact with multiple benefits. Biennial budgeting would serve to “reduce the number of redundant budget-related votes during each Congress, encourage longer time horizons in policy planning, and encourage greater stability in fiscal policy.”¹²² Many believe that biennial budgeting would also increase oversight by the relevant House and Senate committees as a result of the additional free time in the off-year legislative session, “an activity difficult to pursue given the annual appropriations cycle.”¹²³ And, according to David Kendall and Jim Kessler, “A biennial budget would also increase predictability and stability for state and local governments, which rely on federal funding and regularly enter into joint ventures with the federal government.”¹²⁴

Another major benefit of this policy recommendation would be brought about by the process necessary to make the concurrent Congressional budget resolution a legal joint resolution, which would:

¹²¹ Saturno, James V. “Biennial Budgeting: Issues, Options, and Congressional Actions.” January 10, 2017. Congressional Research Service Report R44732. Available at: <https://fas.org/sgp/crs/misc/R44732.pdf>.

¹²² Recommendations of the House Members of the Joint Committee on the Organization of Congress. Available at: <https://archives-democrats-rules.house.gov/Archives/jcoc1h3.htm>.

¹²³ Ibid.

¹²⁴ Kendall, David and Kessler, Jim. “Biennial Budgeting: Better Value for Taxpayers. September 28, 2010. Third Way. Available at: <https://www.thirdway.org/report/biennial-budgeting-better-value-for-taxpayers>.

bring the President into decisions about discretionary spending levels, mandatory spending reform, tax policy, and deficit reduction targets early in the process. This would encourage negotiations at the beginning of the budget cycle, thus providing certainty for the appropriations process. Policymakers would also take the budget more seriously and consider whether they are prepared to abide by its limits.¹²⁵

Cons

There are three primary risks associated with this proposal. However, similar to the pros, none of the risks are certain or guaranteed to actually become problems. First, there is no guarantee that a change to biennial budgeting would work. As Thomas Mann said, “Half as many formal budget and appropriations cycles may appear to reduce the opportunities for partisan and ideological conflict,” but “the void in the off-year” could be filled by non-regular appropriations and authorization legislation.¹²⁶

Another risk of biennial budgeting is the law of unintended consequences: “New rules change incentives, often in unanticipated ways. Measures designed to solve one problem can end up creating or exacerbating others. In times of intense political polarization, moreover, partisan objectives will often shape changes in budget rules.”¹²⁷

Finally, opponents of biennial budgets believe that “a shift to biennial budgets would serve to further cede the legislative branch’s power of the purse, increase incentives for lobbying, and likely increase the number and size of supplemental

¹²⁵ Memorandum from the Committee for a Responsible Federal Budget. “Joint Select Committee Reform Options. October 30, 2018. Available at: <https://www.crfb.org/papers/memo-jsc-joint-select-committee-reform-options>.

¹²⁶ Mann, Thomas. Testimony before the U.S. House of Representatives Committee on Rules. “Biennial Budgeting; A Tool for Improving Government Fiscal Management and Oversight.” March 16, 2000. Available at: https://archives-democrats-rules.house.gov/archives/rules_hear09.htm.

¹²⁷ Galston, William A. “From process to substance: The debate over four federal budget rules.” February 12, 2015. Brookings. Available at: <https://www.brookings.edu/blog/fixgov/2015/02/12/from-process-to-substance-the-debate-over-four-federal-budget-rules/>.

spending measures”¹²⁸ as well as reduce “opportunities for serious budget debate,” by incentivizing “lawmakers to delay tough decisions...and discourages policymakers from setting clear visions for the values of our country,” and neglecting significant fiscal dangers.¹²⁹ Proponents counter that argument by saying that “the fear that total control will pass to the President is not supported by state experience.”¹³⁰

b) Cost & Efficiency

As previously mentioned, there are no identifiable costs associated with either the authorization or the implementation of this policy, as they are simply adjustments to the timing and sequence of the existing mechanisms of the budget process.

However, there are noteworthy efficiencies gained from the proposed policy changes, some of them with substantial cost savings. These would come primarily through the elimination or reduction of the lost productivity and inefficiencies caused by CRs and lapses in appropriations cited in the Statement of the Problem above and articulated by

Thomas Mann:

*A comprehensive biennial cycle is seen as encouraging long-term planning and evaluation over incremental budgeting; promoting greater predictability and efficiency in federal programs; eliminating excessive duplication and delay in congressional decision making; ensuring more vigorous congressional oversight of federal programs; reducing the enormous amount of busy work associated with the preparation of annual budgets in the executive branch and their review in the legislative branch and discouraging congressional micromanagement through line items, earmarks, and other restrictions in appropriations bills.*¹³¹

¹²⁸ Boccia, Romina; Bogie, Justin; and Ditch, David. “Joint Select Committee on Budget and Appropriations Process Reform: Pursues Biennial Budgeting, Neglects Reforms.” November 26, 2018. The Heritage Foundation. Available at: <https://www.heritage.org/budget-and-spending/report/joint-select-committee-budget-and-appropriations-process-reform-pursues>.

¹²⁹ Boccia, Romina and Eid, Dody. “Congress Wants to Do Even Less Budgeting. Here’s Why That Would Be Disastrous.” July 10, 2018. *The Daily Signal*. Available at: <https://www.dailysignal.com/2018/07/10/congress-wants-to-do-even-less-budgeting-heres-why-that-would-be-disastrous/>.

¹³⁰ Kendall, David and Kessler, Jim. “Biennial Budgeting: Better Value for Taxpayers. September 28, 2010. Third Way. Available at: <https://www.thirdway.org/report/biennial-budgeting-better-value-for-taxpayers>.

¹³¹ Mann, Thomas. Testimony before the U.S. House of Representatives Committee on Rules. “Biennial Budgeting: A Tool for Improving Government Fiscal Management and Oversight.” March 16, 2000. Available at: https://archives-democrats-rules.house.gov/archives/rules_hear09.htm.

There are other arguments for efficiency gains from a transition to biennial budgeting. William Galston wrote, “First, it would reduce the congressional workload by eliminating the need to consider routine and repetitious matters every year ...[which would] free up the second year for systematic oversight of programs whose efficacy and efficiency Congress seldom reviews,”¹³² leading to greater attention on the efficiency of individual programs and, presumably, reforms and reductions in those that do not work. Kendall and Kessler added, “A biennial budget would enable Congress to be a better steward of taxpayers’ dollars.”¹³³

Finally, as William Galston continued, “...a longer time-horizon would allow departments and agencies to implement their programs and administer their budgets more effectively.”¹³⁴ The time spent on preparing budgets detracts from implementing and overseeing programs and policy. Kendall and Kessler wrote, “All of this time and energy is spent focusing on the next fiscal year without incorporating longer-term financing and strategic planning...[which leads to] vast resources, both in terms of human and financial capital, are wasted on repeating the budgetary process each year, a process that is needlessly short-sighted.”¹³⁵ With biennial budgeting, “program managers would be able

¹³² Galston, William A. “From process to substance: The debate over four federal budget rules.” February 12, 2015. Brookings. Available at: <https://www.brookings.edu/blog/fixgov/2015/02/12/from-process-to-substance-the-debate-over-four-federal-budget-rules/>.

¹³³ Kendall, David and Kessler, Jim. “Biennial Budgeting: Better Value for Taxpayers. September 28, 2010. Third Way. Available at: <https://www.thirdway.org/report/biennial-budgeting-better-value-for-taxpayers>.

¹³⁴ Galston, William A. “From process to substance: The debate over four federal budget rules.” February 12, 2015. Brookings. Available at: <https://www.brookings.edu/blog/fixgov/2015/02/12/from-process-to-substance-the-debate-over-four-federal-budget-rules/>.

¹³⁵ Kendall, David and Kessler, Jim. “Biennial Budgeting: Better Value for Taxpayers. September 28, 2010. Third Way. Available at: <https://www.thirdway.org/report/biennial-budgeting-better-value-for-taxpayers>.

to spend less time defending their budgets [and adjusting them for contingencies] and more time running their programs.”¹³⁶

However, this proposal is not intended as a cost-saving measure, and there is no uniform data or overall cost estimates of the inefficiencies of Continuing Resolutions and lapses in appropriations. Because of this, estimates of the potential savings through efficiency and service gains are not included here or as a primary indicator of policy success.

c) Equality

Several experts with differing ideological perspectives share the belief that one of the fundamental indicators of today’s broken congressional budget process is the inability of most people, lawmakers and average citizens alike, to actually understand the process and to be able to discern the contents of appropriations legislation before it is enacted. Norman Ornstein and Thomas Mann, two prominent figures in the debate on budgetary processes and fiscal controls, noted that the current process leaves conference committees to proceed “without any pretense of a full committee markup” and that the volume of Rules Committee emergency sessions to consider spending bills makes it “virtually impossible to discover what was in each conference report before voting on it.”¹³⁷

Furthermore, they explained that the “now-routine process” of omnibus spending bills are considered on the House floor “without any notice or time for members to read or absorb them.”¹³⁸ This can result in “stealth legislation ... [and it increases] information

¹³⁶ Rivlin, Alice M. “Biennial Budgeting: A first step toward budget process reform.” Testimony Before the House Committee on the Budget. November 18, 2015. Available at: <https://www.brookings.edu/testimonies/biennial-budgeting-a-first-step-toward-budget-process-reform/>.

¹³⁷ Ornstein, Norman and Mann, Thomas E. *The Broken Branch: How Congress Is Failing American and How to Get it Back on Track*. August 2006. Oxford University Press. Page 172.

¹³⁸ Ibid. Page 173.

asymmetry; promote[s] opportunistic, discriminatory behavior, and violate[s] the principle of equal political participation.”¹³⁹

By increasing the amount of time that members and staff have to consider appropriations bills and to provide oversight, the more likely that there could be “good public participation practices ... [that would increase transparency –] a core value of governmental budgeting.”¹⁴⁰ “A successful budget process assures that decisions are made in proper order and in a timely way.”¹⁴¹

Similarly, because the size and complexity of the budget and the government continue to grow, relying on the same process for appropriations leads to “cutting last-minute back room deals, the exact type of horse-trading most strongly opposed by the public.”¹⁴² As such, the proposed policy change to a biennial budget would also serve to improve the equality of the current legislative/appropriations process. And, because government shutdowns result in significant decreases in the operations of agency Offices of Inspectors General, whistleblower mechanisms, and Freedom of Information Act processing, any decrease or elimination of government shutdowns would serve to increase transparency and accountability.¹⁴³

¹³⁹ Roth, Timothy P. and Smith, Adam. “Impartiality, Political Participation, and Federal Budget Process Reform. Mercatus Center at George Mason University. 2012. Page 17. Available at: https://www.mercatus.org/system/files/Roth_Impartiality_final.pdf.

¹⁴⁰ Government Finance Officers Association. “Best Practice: Public Engagement in the Budget Process.” September 2016. Available at: <https://www.gfoa.org/public-engagement-budget-process>.

¹⁴¹ Rubin, Irene. *The Politics of Public Budgeting: Getting and Spending, Borrowing and Balancing*. CQ Press. Ninth edition. February 22, 2019. Page 1.

¹⁴² Kendall, David and Kessler, Jim. “Biennial Budgeting: Better Value for Taxpayers. September 28, 2010. Third Way. Available at: <https://www.thirdway.org/report/biennial-budgeting-better-value-for-taxpayers>.

¹⁴³ Moulton, Seth. “Unseen Casualties of the Shutdown: Accountability and Transparency.” January 18, 2019. Program on Government Oversight. Available at: <https://www.pogo.org/analysis/2019/01/unseen-casualties-of-the-shutdown-accountability-and-transparency/>.

d) *Capacity*

There is no challenge of capacity—technical, administrative, or technological—for the implementation of this policy proposal. In terms of collective congressional and staff capacity, “adjusting reauthorization periods so that most major authorizations could be scheduled for the second year of a Congress, floor time for the consideration of authorizations would not be in competition with appropriations.”¹⁴⁴

However, Thomas Mann, a recognized expert, believes that the nature of economic forecasting would create a risk because biennial budgeting would require economic projections for accompanying budget proposals to be for 33 months, rather than 21 months, which could lead to “even more error than now...and invite partisan and ideological mischief.”¹⁴⁵ Statistics demonstrate decreasing efficacy of budget projections. Stuart Young and Drew McLelland write, “From 1995 to 2006, budget errors averaged 4.23% for predictions one year ahead and 8.84% for predictions two years out.”¹⁴⁶ Such errors would likely necessitate adjustments in the second year of the budget, but some believe that “the gains from better program performance through oversight would offset the risk of budget errors,” thereby mitigating the impact of imprecise projections. Experience at the state level indicates that these adjustments are

¹⁴⁴ Saturno, James V. “Biennial Budgeting: Issues, Options, and Congressional Actions.” January 10, 2017. Congressional Research Service Report R44732. Available at: <https://fas.org/sgp/crs/misc/R44732.pdf>.

¹⁴⁵ Mann, Thomas. Testimony before the U.S. House of Representatives Committee on Rules. “Biennial Budgeting; A Tool for Improving Government Fiscal Management and Oversight.” March 16, 2000. Available at: https://archives-democrats-rules.house.gov/archives/rules_hear09.htm.

¹⁴⁶ Young, Stuart and McLelland, Drew. “Implementing Biennial Budgeting for the U.S. Congress.” Federal Budget Policy Seminar. Harvard Law School Briefing Paper 20. May 6, 2006. Available at: http://www.law.harvard.edu/faculty/hjackson/BiennialBudget_20.pdf.

viable,¹⁴⁷ and that “the necessity of projecting economic assumptions an extra year in advance” does not seem to be a major problem.¹⁴⁸

Finally, the current annual process means that normal appropriations bills are subsumed by the context and by the urgency of larger issues, such as the Great Recession. In contrast, a biennial process would provide greater latitude to the president and Congress to have focused, targeted responses through supplemental and emergency appropriations, rather than being addressed in entirely by new appropriations bills.

e) Efficacy

Given the factors cited above, the efficacy of this policy proposal is estimated to be high.

f) Legality

There is little threat that this policy proposal would have any legal impediments or difficulties. Some debate has arisen with regard to the constitutionality of withholding payment from members of Congress absent an appropriation, but that does not seem to be impassable.¹⁴⁹ Otherwise, the stakeholders have the authority to act to amend the laws necessary to implement the policy change. The feasibility of them doing so is considered in the next section.

¹⁴⁷ Kendall, David and Kessler, Jim. “Biennial Budgeting: Better Value for Taxpayers. September 28, 2010. Third Way. Available at: <https://www.thirdway.org/report/biennial-budgeting-better-value-for-taxpayers>.

¹⁴⁸ Rivlin, Alice M. “Biennial Budgeting: A first step toward budget process reform.” Testimony Before the House Committee on the Budget. November 18, 2015. Available at: <https://www.brookings.edu/testimonies/biennial-budgeting-a-first-step-toward-budget-process-reform/>.

¹⁴⁹ Sonmez, Felicia. “Sen. Mark Warner introduces ‘Stop STUPIDITY Act’ aimed at preventing future shutdowns. *The Washington Post*. January 22, 2019. Available at: https://www.washingtonpost.com/politics/sen-mark-warner-introduces-stop-stupidity-act-aimed-at-preventing-future-shutdowns/2019/01/22/2bafc150-1e82-11e9-8e21-59a09ff1e2a1_story.html.

VI. POLITICAL ANALYSIS

This is a politically achievable policy, based on the following factors.

First, biennial budgeting is not a new idea, and it has a long history of discussion, consideration, and bi-partisan support. Galston explained, “Every administration from Ronald Reagan to George W. Bush has supported the idea” of a two-year budget cycle.¹⁵⁰ And Mann added that “biennial budgeting has attracted broad bipartisan support from Members of Congress and from...President [Bush] and his key budget officials.”¹⁵¹ At the legislative level, there have been consistent and bi-partisan attempts for 40 years to consider and change the annual appropriations process.

Despite that executive support and congressional activity, the proposals to date have failed. In the realm of political battles, it is hard to determine precisely why the numerous previous attempts have been unsuccessful, but there are probably several reasons. Thomas Mann and Norm Ornstein cite a period of congressional leadership that “expressed zero interest in reform—which means no interest in institutional well-being, maintenance, or renewal.”¹⁵² They also claim that much of the failure to implement the changes needed...can be laid at the feet of Congress and its leaders. Why? The most logical explanation...is...lack of institutional identify. Members of the majority party, including the leaders of Congress, see themselves as field lieutenants in the president’s army far more than they do as members of a separate and independent branch of

¹⁵⁰ Galston, William A. “From process to substance: The debate over four federal budget rules.” February 12, 2015. Brookings. Available at: <https://www.brookings.edu/blog/fixgov/2015/02/12/from-process-to-substance-the-debate-over-four-federal-budget-rules/>.

¹⁵¹ Mann, Thomas. Testimony before the U.S. House of Representatives Committee on Rules. “Biennial Budgeting; A Tool for Improving Government Fiscal Management and Oversight.” March 16, 2000. Available at: https://archives-democrats-rules.house.gov/archives/rules_hear09.htm.

¹⁵² Ornstein, Norman and Mann, Thomas E. *The Broken Branch: How Congress Is Failing American and How to Get it Back on Track*. August 2006. Oxford University Press. Excerpts available at: <https://www.brookings.edu/articles/the-broken-branch-how-congress-is-failing-america-and-how-to-get-it-back-on-track/>

government.¹⁵³ This, in turn, has contributed to decrease in “serious oversight,”¹⁵⁴ which is also at the heart of this policy proposal.

While it is important to recognize and try to understand why those previous efforts have not succeeded, to date, we are in a fundamentally different political space now. The increasing frequency and duration of CRs and shutdowns has illustrated to a growing audience of stakeholders that the current process is fundamentally flawed. Furthermore, the FY19 shutdown, the longest in history, contributed to broad public displeasure with Congress and the inability of Congress and the White House to accomplish what most Americans regard as a fundamental task. Those factors contributed to the previous chairman of the House Budget Committee, Steve Womack (R-AR), and the current Speaker, Nancy Pelosi (D-CA), expressing support for biennial budgets, addressing the weakness in the leadership, as discussed above.

By eliminating the inefficiencies caused by shutdowns and CRs as documented above, the OMB and the White House would be responsible for increasing efficiency in government, and with no accompanying financial cost. Furthermore, one of the anticipated benefits of biennial appropriations is that legislators would have more time for the oversight responsibilities, which should lead to increased efficiencies within federal agencies and their programmatic delivery.

Another reason that augers well for implementation is that this policy change is politically expedient for both parties. Because biennial budgets have been discussed and proposed for more than 40 years and by five previous presidents, President Trump would

¹⁵³ Ornstein, Norman and Mann, Thomas E. *The Broken Branch: How Congress Is Failing American and How to Get it Back on Track*. August 2006. Oxford University Press. Excerpts available at: <https://www.brookings.edu/articles/the-broken-branch-how-congress-is-failing-america-and-how-to-get-it-back-on-track/>

¹⁵⁴ Ibid.

be able to rightfully claim that he accomplished something that none of his predecessors were able to do. Members of both parties in both houses of Congress would also be able to claim a political victory, first by finding common ground on a non-partisan issue, to the delight of their constituents and, secondly, without any real political consequence.

The fact that this is a no-cost policy change—and one that would likely save money and increase efficiencies—is yet another important reason why it is politically viable.

Finally, the ability to implement this proposal is that it is flexible in scope. As previously discussed, this does not need to be a wholesale switch for the entire federal government. It can be a time-based pilot for select or partial appropriations. This flexibility in negotiating would increase the likelihood of implementing the policy while demonstrating leadership in keeping with the president’s willingness to shake up the status quo.

Stakeholder analysis

There are multiple stakeholders invested in the efficacy and reliability of the federal budgeting process who stand to benefit from the implementation of this policy change. Fortunately for this proposal, the number and diversity of the winners greatly outnumber the losers.

Members of Congress and the Institution Itself

Members of Congress, congressional staff, and issue experts recognize that “annual fights about priorities between the same Congress and President do nobody any

good.”¹⁵⁵ That has led, according to the U.S. General Accountability Office, to “many Members of the Congress [expressing] concern over the amount of time spent on the budget and appropriations process, as well as the seemingly repetitive process that includes concurrent resolutions, reconciliation bills, authorizations, and many regular appropriation bills.”¹⁵⁶

This frustration and accompanying political pressure has led to numerous proposals for legislation to switch to a biennial budgeting cycle, as previously described. While none of those proposals has passed, support within Congress can be gauged. As far back as 1987, 85% of representatives and 87.5% of senators “agreed or strongly agreed with the idea of appropriating on a two-year schedule.”¹⁵⁷ More than 10 years later, a bill by Congressman David Dreier (R-CA) that expressed “the sense of the House” in favor of legislation for biennial budgeting had 245 co-sponsors.¹⁵⁸ Power rests with committee assignments, and there is no loss in political influence when all members shift to a new timeline for budgeting, minimizing the perceived negative impact of this policy change.

As an institution, any attempt to improve and normalize the budget process would benefit Congress itself, and be a small but important step in returning to the “regular order” that Thomas Mann and Norm Ornstein have repeatedly cited.

¹⁵⁵ White, Joseph. U.S. Congress, Joint Committee on the Organization of Congress. Budget Process: Testimony of Hon. Anthony Beilenson and a Panel of Experts, 103rd Congress, 1st session. March 23, 1993. Page 82.

¹⁵⁶ U.S. General Accountability Office. “Biennial Budgeting: Three States’ Experience.” October 27, 2000. GAO-010132. Available at: <https://www.gao.gov/new.items/d01132.pdf>.

¹⁵⁷ Lindstrom, Peter. “Congressional Operations: Congress Speaks: A Survey of the 100th Congress.” 1988. Center for Responsive Politics. Page 34.

¹⁵⁸ Saturno, James V. “Biennial Budgeting: Issues, Options, and Congressional Actions.” January 10, 2017. Congressional Research Service Report R44732. Available at: <https://fas.org/sgp/crs/misc/R44732.pdf>.

State and local officials

State and local officials would also be supportive of measures to improve the regularity with which they receive federal monies, as shutdowns and lapses in appropriations, as Blimes put it, “wreak havoc on states and cities that rely on federal dollars.”¹⁵⁹

Private Sector

Though there does not appear to be a consistent, historic effect on the stock market as a result of lapses in appropriation, the economy as a whole is significantly harmed, as documented above. In expressing concerns of the business community, the U.S. Chamber of Commerce cited \$5 billion in damage to the U.S. economy.¹⁶⁰ During the shutdown, the Chamber coordinated a “coalition letter” to the president and Congress from more than 650 state and national bodies making the following request: “On behalf of the American business community, we urge Congress and the administration to immediately take steps to restore the full operation of the federal government ... [because of the] significant and in some cases lasting damage to families, businesses, and the economy as a whole.”¹⁶¹ The Chamber went on to say that, “of far greater and more lasting importance are the dislocations arising because government service has been disrupted.”¹⁶²

¹⁵⁹ Blimes, Linda J. “To Avoid Government Shutdowns, Fix the Budget Process.” *The Boston Globe*. January 7, 2019. Available at: <https://www.bostonglobe.com/opinion/2019/01/07/avoid-government-shutdowns-fix-budget-process/jFkhPFfyzXmuZVhvon2BVL/story.html>.

¹⁶⁰ Donohue, Thomas J. “Fallout from the Shutdown.” U.S. Chamber of Commerce. January 28, 2019. Available at: <https://www.uschamber.com/series/above-the-fold/fallout-the-shutdown>.

¹⁶¹ U.S. Chamber of Commerce. Coalition Letter – Ending the Shutdown and Reopening the Federal Government. January 24, 2019. Available at: <https://www.uschamber.com/letter/coalition-letter-ending-the-shutdown-and-reopening-the-federal-government-0>.

¹⁶² Foster, J.S. “Government Shutdown: Caveat Imperium.” U.S. Chamber of Commerce. January 18, 2019. Available at: <https://www.uschamber.com/series/above-the-fold/government-shutdown-caveat-imperium>.

Advocacy Organizations and Think Tanks

With an issue as big and important as the federal budget, there is no shortage of think tanks and advocacy organizations that have analyzed the issue through their particular partisan lenses. While they may not be “stakeholders” in and of themselves, they are invested in the discussion, process, and policy of federal budgeting. Because, according to the Congressional Research Service Report R44732, the “biennial budgeting includes several variations ... [such as] multi-year authorizations, two-year budget resolutions, two-year appropriations, or some combination of the three,”¹⁶³ it is hard to find analyses that are directly comparable. Many hypothetical criticisms analyze elements of biennial budgeting that are not part of this proposal, such as biennial appropriations. Because of this, many criticisms are not applicable. Even those most vehemently opposed to biennial budgeting have found compromise. For example, the Center on Budget and Policy Priorities has consistently published papers that conclude that “the disadvantages of biennial budgeting are likely to outweigh the advantages.”¹⁶⁴ But, in recognition of mounting political momentum toward biennial budgeting, the Center on Budget and Policy Priorities concluded that “the procedure should first be tested on an experimental basis with a limited number of budget accounts. Another possibility worth exploring may be to institute biennial budget resolutions but maintain annual appropriations,”¹⁶⁵ which is precisely what this policy proposal does.

¹⁶³ Saturno, James V. “Biennial Budgeting: Issues, Options, and Congressional Actions.” January 10, 2017. Congressional Research Service Report R44732. Available at: <https://fas.org/sgp/crs/misc/R44732.pdf>.

¹⁶⁴ Kogan, Richard; Greenstein, Robert; and Horney, James. “Biennial Budgeting: Do the Drawbacks Outweigh the Advantages?” January 20, 2012. Center on Budget and Policy Priorities. Available at: <https://www.cbpp.org/research/biennial-budgeting-do-the-drawbacks-outweigh-the-advantages>.

¹⁶⁵ Ibid.

Federal Employees

Most importantly, government employees and contractors would be beneficiaries. More than 800,000 federal workers were affected by the FY19 shutdown, with, as Seth Moulton expressed, a “staggering personal cost to families.”¹⁶⁶ There were consistent and myriad expressions of support from associations and unions representing government employees in opposition to the FY19 shutdown. The number of letters and campaigns against the shutdown is too extensive to catalogue here, but it includes the largest and most influential unions and associations, representing tens of millions of Americans, including:

- The American Federation of Government Employees, which cited “extreme financial hardships” and “massive security risk” in calling the shutdown “unacceptable” and calling on Congress to re-open the government¹⁶⁷ and subsequently filed a lawsuit
- The National Treasury Employees Union, which also started a petition¹⁶⁸
- The National Federation of Federal Employees¹⁶⁹
- The Service Employees International Union¹⁷⁰
- The National Air Traffic Controllers Association sent a letter representing 33 “aviation stakeholders” to the president and congressional leadership calling for an end to the shutdown,¹⁷¹ and subsequently filed a lawsuit¹⁷²

¹⁶⁶ Moulton, Seth. “Unseen Casualties of the Shutdown: Accountability and Transparency.” January 18, 2019. Program on Government Oversight. Available at: <https://www.pogo.org/analysis/2019/01/unseen-casualties-of-the-shutdown-accountability-and-transparency/>.

¹⁶⁷ Available at: <https://www.afge.org/publication/tsa-union-says-shutdown-is-unacceptable-and-calls-on-congress-to-re-open-the-government/>.

¹⁶⁸ “End the Shutdown.”

¹⁶⁹ Ivanova, Irina. “Federal Workers Won’t See a Check Until Jan. 25 at the Earliest.” January 3, 2019. Available at: <https://www.cbsnews.com/news/government-shutdown-pay-federal-workers-likely-wont-see-cash-until-jan-25-regardless-of-negotiations/>.

¹⁷⁰ “Working people voted for good jobs, affordable healthcare, an economy that works for all Americans – Not a Shutdown.” December 21, 2018. Available at: <http://www.seiu.org/2018/12/seius-henry-working-people-voted-for-good-jobs-affordable-healthcare-an-economy-that-works-for-all-americans-not-a-shutdown>.

¹⁷¹ Aviation Stakeholders Coalition Letter. January 10, 2019. Available at: https://natca.org/images/NATCA_PDFs/Aviation-Shutdown-Impacts-Ltr_FINAL_01.10.19.pdf.

¹⁷² Available at: <https://natca.org/index.php/component/tags/tag/shutdown>.

In a press release, Max Stier made the following statement: “The inability of Congress to fulfill its primary responsibility of funding the government is a great disservice to the American people. The shutdown is the result of politics, partisanship and a badly broken budget and appropriations process. And it is the taxpayers who suffer, as they pay for services they do not receive.”¹⁷³ He went on to clearly endorse budget process reform, saying:

*We must break the trend of funding our government for a few months, weeks or days at a time—it erodes the capabilities of our government on everything from national defense to the delivery of social services. Reasonable measures to help address this problem include a biennial budget cycle to forestall the yearly budget battles and allow more time to assess how agencies and programs are actually working.*¹⁷⁴

By being able to count on receiving their paychecks in a timely manner, federal employees and contractors would be the largest single beneficiaries of a change toward biennial budgeting. It is important to note that the protests and complaints against the shutdown extended beyond federal employees to all major labor organizations, including the AFL-CIO¹⁷⁵ and the Laborers’ International Union of North America.¹⁷⁶

Public Opinion

Public perceptions of congressional performance have been declining for decades in lockstep with the inability to have appropriations completed on time. In 1964, polls indicated that 77% of Americans believed the government would “do the right thing

¹⁷³ Partnership for Public Service Statement on January 2018 Government Shutdown. Press Release. January 20, 2018. Available at: <https://ourpublicservice.org/wp-content/uploads/2018/01/42f9a07fa81dcd3e720a62a121c8a033-1516629435.pdf>.

¹⁷⁴ Partnership for Public Service Statement on January 2018 Government Shutdown. Press Release. January 20, 2018. Available at: <https://ourpublicservice.org/wp-content/uploads/2018/01/42f9a07fa81dcd3e720a62a121c8a033-1516629435.pdf>.

¹⁷⁵ AFL-CIO Webpage. “2019 Government Shutdown.” Available at: <https://aflcio.org/2019-government-shutdown>.

¹⁷⁶ “End the Shutdown Federal Government Owes Public Service Workers Better.” January 10, 2019. Available at: <https://www.liuna.org/news/story/end-the-shutdown-federal-government-owes-public-service-workers-better>.

always or most of the time;” In 1974, it was 36% and in 2012 it was 20%.¹⁷⁷ According to a Pew Research Center study, “Only 17% of Americans today say they can trust the government in Washington to do what is right ‘just about always’ (3%) or ‘most of the time’ (14%)”—which statistics represent near historic lows.¹⁷⁸

Key Political Actors

As previously mentioned, while all members of Congress are essential actors—as the policy would directly affect their work—party and committee leadership is most important in analyzing this proposal’s political viability.

Among leadership in the House and Senate, both the Speaker Nancy Pelosi (D-CA) and the Minority Leader Kevin McCarthy (R-CA) are on record as being in strong support.¹⁷⁹

Within the House Budget Committee, both Chairman John Yarmuth (D-KY) and ranking member Steve Womack (R-AR) are on record in support of biennial budgeting.

On the Senate side, during the 113th Congress, in what Will Dobbs-Allsopp called “a successful 2013 show-vote, both Senate Majority Leader Mitch McConnell (R-KY) and Minority Leader Harry Reid (D-NV) voted in favor of moving to a biennial process.”¹⁸⁰

Current Minority Leader Chuck Schumer (D-NY) is not on record in favor or in opposition to the idea of biennial budgeting, but Budget Committee Chairman Mike Enzi (R-WY) is a strong advocate, as previously mentioned. Ranking Member Bernie Sanders

¹⁷⁷ Kaiser, Robert G. Book Review: “‘It’s Even Worse Than It Looks: How the American Constitutional System Collided with the New Politics of Extremism’ by Thomas E. Mann and Norman J. Ornstein.” *The Washington Post*. Available at: https://www.washingtonpost.com/entertainment/books/its-even-worse-than-it-looks-how-the-american-constitutional-system-collided-with-the-new-politics-of-extremism-by-thomas-e-mann-and-norman-j-ornstein/2012/04/30/gIQA2ohKsT_story.html?utm_term=.087da22bfd8d.

¹⁷⁸ “Public Trust in Government: 1958-2019.” Pew Research Center. April 11, 2019. Available at: <https://www.people-press.org/2019/04/11/public-trust-in-government-1958-2019/>.

¹⁷⁹ “McCarthy Suggests Increased Focus on Long-Term Budgeting.” Committee for a Responsible Federal Budget Blog. October 28, 2014. Available at: <https://www.crfb.org/blogs/mccarthy-suggests-increased-focus-long-term-budgeting>.

¹⁸⁰ Dobbs-Allsopp, Will. “Debate Begins on Two-Year Appropriations Process.” Morning Consult Website. January 5, 2016. Available at: <https://morningconsult.com/2016/01/05/debate-begins-on-two-year-appropriations-process/>.

(I-VT) does not have a stated position on biennial budgeting. However, Senator Sanders recently hired Ethan Rosenkranz to be on his policy team. Given that Rosenkranz comes from the Project on Government Oversight, which frequently cites Pentagon waste as a major budgetary issue, it seems reasonable that considering a bi-partisan proposal such as this would be amenable to Senator Sanders if the possibility for increased oversight was a potential outcome.¹⁸¹

Ultimately, the size, diversity, and political weight of the advocates trump those of the opponents.

¹⁸¹ Seitz-Wald, Alex. "Bernie Sanders Remakes Budget Committee in His Image." MSNBC. January 6, 2015. Available at: <http://www.msnbc.com/msnbc/bernie-sanders-remakes-budget-committee-his-image>.

VII. RECOMMENDATION

There is little more important than a functioning budget for a country the size of the United States. The current system is broken and the implications are dire. Blimes explains, “The deterioration of the budget process is dangerous. Empires have fallen due to failure to tradeoff between guns and butter in accordance with public wishes.”¹⁸² The Committee for a Responsible Budget adds:

While there may be both benefits and issues with budgeting biennially, one this is clear: the current budget process is broken. Reforms to the budget process that give our government better insight into how our budget functions and how to effectively implement strategy and achieve policy changes should be explored. Biennial budgeting is one such reform that offers some promise.¹⁸³

Nonetheless, it must be recognized that there are uncertainties associated with this proposal. It is impossible to know definitively how this policy change will work. But the risks are also uncertain, and opponents of biennial budgeting qualify their concerns with uncertainty: The U.S. General Accountability Office wrote that “it *may not* increase congressional oversight”¹⁸⁴ of that the anticipated benefits and “*could prove to be* illusory”¹⁸⁵ (emphasis added.) Ultimately, the potential rewards and benefits far outweigh the possible risks, which are essentially its limited efficacy and not new negatives.

What is certain is that current system is not working, and the impacts and negative effects are increasing with each new fiscal year, each new CR, and each shutdown. No

¹⁸² Blimes, Linda J. “To Avoid Government Shutdowns, Fix the Budget Process.” *The Boston Globe*. January 7, 2019. Available at: <https://www.bostonglobe.com/opinion/2019/01/07/avoid-government-shutdowns-fix-budget-process/jFkhPFfyzXmuZVhvon2BVL/story.html>.

¹⁸³ Committee for a Responsible Budget. “Biennial Budgeting Picks Up Steam in Congress.” April 3, 2013. Available at: <https://www.crfb.org/blogs/biennial-budgeting-picks-steam-congress>.

¹⁸⁴ U.S. General Accountability Office. “Biennial Budgeting: Three States’ Experience.” October 27, 2000. GAO-010132. Available at: <https://www.gao.gov/new.items/d01132.pdf>.

¹⁸⁵ Saturno, James V. “Biennial Budgeting: Issues, Options, and Congressional Actions.” January 10, 2017. Congressional Research Service Report R44732. Available at: <https://fas.org/sgp/crs/misc/R44732.pdf>.

system that works 1/10th of the time can be considered viable, and the trend under the existing process is toward increasing negative impacts. More than 40 years after the enactment of the legislation that established the modern budgetary process, it is time for a change. As Brian M. Riedl expressed, “The past 30 years have shown that a budget process does not last longer than 10 to 12 years before mounting abuses necessitate major reforms. The last major reforms, enacted in 1990, hung on by a thread before expiring in 2002.”¹⁸⁶

This policy proposal may not be perfect, and it is not intended to solve all of the attendant problems with the budgeting and American fiscal policy; however, the risks of trying this on a partial and experiment basis are not grave. As Mann said, “I am sure the Republic would survive an experiment in biennial budgeting, especially if it is authorized with an explicit sunset provision,” as proposed in this policy.¹⁸⁷ And as Alice M. Rivlin added, “In truth, Congress has already migrated toward two-year budgeting, by effectively setting caps on discretionary spending for two consecutive years.”¹⁸⁸ Some agencies, such as The Department of Veterans Affairs, already receive a biennial budget. Blimes concluded, “The simplest way to minimize budgetary disruption is to extend this cycle to the rest of government.”¹⁸⁹

¹⁸⁶ Riedl, Brian M. “What’s Wrong with the Federal Budget Process.” January 25, 2005. The Heritage Foundation. Page 19. Available at: <https://www.heritage.org/budget-and-spending/report/whats-wrong-the-federal-budget-process>.

¹⁸⁷ Mann, Thomas. Testimony before the U.S. House of Representatives Committee on Rules. “Biennial Budgeting; A Tool for Improving Government Fiscal Management and Oversight.” March 16, 2000. Available at: https://archives-democrats-rules.house.gov/archives/rules_hear09.htm.

¹⁸⁸ Rivlin, Alice M. “Biennial Budgeting: A first step toward budget process reform.” Testimony Before the House Committee on the Budget. November 18, 2015. Available at: <https://www.brookings.edu/testimonies/biennial-budgeting-a-first-step-toward-budget-process-reform/>.

¹⁸⁹ Blimes, Linda J. “To Avoid Government Shutdowns, Fix the Budget Process.” *The Boston Globe*. January 7, 2019. Available at: <https://www.bostonglobe.com/opinion/2019/01/07/avoid-government-shutdowns-fix-budget-process/jFkhPFfyzXmuZVhvon2BVL/story.html>.

The flexibility of the proposal allows for a trial period, and would provide both quantifiable and qualitative evidence of the efficacy of the proposal. Implementing the policy with a sunset provision is politically feasible and would provide the data necessary to compare how well the policy worked, committee-by-committee, appropriation-by-appropriation, for future consideration and analysis.

Proposing and working with Congress to enact the appropriate legislation would provide a unique opportunity for coordinated, positive legislation that is not bi-partisan in nature—something that the American public is desperate to see and would therefore be perceived very well as we head into a presidential election year. Riedl, explained, “Congress should resist the temptation to reflexively vote to continue the current process.

This [current] process—which has engendered shortsighted, haphazard decision making by those who can manipulate the process— will not efficiently allocate the nation’s resources to its highest, crucial priorities.”¹⁹⁰

Ultimately, it is time to test this long-debated option, at least for a limited period, as an attempt to update a clearly broken system. Kendall and Kessler wrote, “A comprehensive biennial budget cycle would encourage more vigorous oversight of federal programs. Biennial budgeting make the budget process more efficient, reduce needless duplication, and free executive agencies and Congress to better attend to the concerns of the American citizens.”¹⁹¹

This is not a silver bullet and it will not solve all of the problems in the budget process, fiscal policy, or state of political discourse. Mann explained, “Our current

¹⁹⁰ Riedl, Brian M. “What’s Wrong with the Federal Budget Process.” January 25, 2005. The Heritage Foundation. Available at: <https://www.heritage.org/budget-and-spending/report/whats-wrong-the-federal-budget-process>.

¹⁹¹ Kendall, David and Kessler, Jim. “Biennial Budgeting: Better Value for Taxpayers. September 28, 2010. Third Way. Available at: <https://www.thirdway.org/report/biennial-budgeting-better-value-for-taxpayers>.

process is already highly contentious, and will continue to be for the foreseeable future whether the budget is done every year or every other year.”¹⁹² If that is the case, then Kendall and Kessler are correct in asserting that:

*as long as the process will be political...it makes sense for it to be structured in a way that better achieves our true objective—effective use of public funds...No procedural fix can substitute for the tough substantive policy decisions that Congress will be forced to make to curb our ever-increasing deficits. That does not mean, however, that we should not create the best environment in which Congress is making those decisions.*¹⁹³

Just a few months ago, Congressman Steve Womack (R-AR) succinctly summed up the state of affairs thus: “The most important role given to Congress under the Constitution is the power of the purse, yet we regularly and repeatedly cede our responsibility to fulfill this essential duty....Clearly our budget process is broken.”¹⁹⁴

When the Chairman of the House Budget Committee makes such definitive statements—subsequently agreed to by the current Speaker of the House¹⁹⁵—it is time to try something to improve the process. This proposal offers a moderate, flexible, no-cost, reversible, and politically feasible opportunity to do so. The beneficiaries are numerous and diverse. The cost to skeptics is limited. The time has come, and the White House and the OMB should take the lead in proposing such a change and devote some political capital to chart a path for implementation. As Seth Moulton put it, “Shutdowns cause far too much damage economically, personally, and institutionally to be taken in stride.”¹⁹⁶

¹⁹² Mann, Thomas. Testimony before the U.S. House of Representatives Committee on Rules. “Biennial Budgeting; A Tool for Improving Government Fiscal Management and Oversight.” March 16, 2000. Available at: https://archives-democrats-rules.house.gov/archives/rules_hear09.htm.

¹⁹³ Kendall, David and Kessler, Jim. “Biennial Budgeting: Better Value for Taxpayers. September 28, 2010. Third Way. Available at: <https://www.thirdway.org/report/biennial-budgeting-better-value-for-taxpayers>.

¹⁹⁴ House Budget Committee. “House Budget Committee Chairman, Ranking Member Introduce Bipartisan Budget Reform Legislation.” Press Release. November 29, 2018. Available at: <https://budget.house.gov/news/press-releases/house-budget-committee-chairman-ranking-member-introduce-bipartisan-budget>.

¹⁹⁵ “Pelosi Remarks at Joint Select Committee on Budget and Appropriations Process Reform.” June 28, 2018. Available at: <https://www.speaker.gov/newsroom/62718-8/>.

¹⁹⁶ Moulton, Seth. “Unseen Casualties of the Shutdown: Accountability and Transparency.” January 18, 2019. Program on Government Oversight. Available at: <https://www.pogo.org/analysis/2019/01/unseen-casualties-of-the-shutdown-accountability-and-transparency/>.

Curriculum Vitae

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Alternate Permanent Representative 2012 – 2015
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Senior Civilian Representative 2010 – 2011
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Vice Consul 2007 – 2008
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